

SEPTEMBER 15, 1937



TWENTY CENTS

Sales Management

- ★ How 41 Big Companies Initiate and Clear the Sales and Advertising Budget
- ★ Twenty-Six Answers to the Question "Am I Breaking the Robinson-Patman Act?"
- ★ Hell, Hooey and Hooray—How Not to Manage a Sales Force, Ey B. Gordon Fyle
- ★ How Pepsodent Used the Fair Trade Acts to Eliminate Vicious Price-Cutting
- ★ Spotlight—Significant Trends—Marketing Flashes—Scratch-Pad—Sales Letters

THE MAGAZINE OF MODERN MARKETING

FORTUNE MEANS BUSINESS

- **To 130,000 Subscribers**

... because they have learned to depend on FORTUNE for accurate, interesting articles on what's important in the world of business.

- **To More Than 2,000,000 Additional Readers**

... because they have learned that FORTUNE is the one magazine to which they can turn for the picture of business as it actually exists.

- **To Some 400 Advertisers**

... because they have learned that by advertising in FORTUNE, they can reach customers who have dollars to spend on homes and families, on offices and businesses. And because they have learned that FORTUNE Readers Read The Ads.

FORTUNE
135 EAST 42ND STREET • NEW YORK



TRACK 1

*The Right
Track
for Sales*

- 
- 1 ATLANTA
 - 2 BALTIMORE
 - 3 BIRMINGHAM
 - 4 BOSTON
 - 5 BUFFALO
 - 6 CHICAGO
 - 7 CINCINNATI
 - 8 CLEVELAND
 - 9 DALLAS
 - 10 DETROIT
 - 11 INDIANAPOLIS
 - 12 LOS ANGELES
 - 13 MEMPHIS
 - 14 MILWAUKEE
 - 15 MINNEAPOLIS
 - 16 NEW ORLEANS
 - 17 NEW YORK
 - 18 OMAHA
 - 19 PHILADELPHIA
 - 20 PITTSBURGH
 - 21 PORTLAND, ORE.
 - 22 SPOKANE
 - 23 ST. LOUIS
 - 24 WASHINGTON

THIS WEEK is "express" enough to skip the less profitable sales stops in its Coast-to-Coast run . . . "local" enough to do a thorough job on the 24 trading areas that buy 62% of America's goods ★ And by "thorough" we mean a job that works on dealer and consumer, that **SELLS BOTH SIDES OF THE COUNTER** ★ All Aboard—

BUY **THIS WEEK** AND GET—
BOTH
MAGAZINE POWER **NEWSPAPER SALES PUNCH**



Eyebrows and Insects by Air

Commercial air express was ten years old the first of this month, and Railway Express Agency took a backward look.

Of course there were pay loads flown before 1927. A thousand years ago in Egypt homing pigeons carried cherries in tiny silk bags from orchards 400 miles away to the Caliph of Cairo. And in 1919 a trial plane attempted to carry a heavy cargo of express from Mitchell Field, Long Island, to Chicago. It was forced down by head winds. However, air express as a practical operation didn't get under way until four lines signed agreements with REA a decade ago.

In the first four months of that year 5,160 shipments went by air, 17,006 in the first full year, 1928. Last year 1,866 tons, or 465,727 separate shipments, were flown. All 19 major American air lines participate, and Pan American Airways carry express to the rest of the world.

Nowadays, average distance per shipment has decreased, but average weight has gone up. Many automotive shipments, for example, fly only a few hundred miles, but they save neat sums by being on the assembly line within a few hours after leaving the shipper's factory.

Perhaps air express's most notable feat was the Relief of Hollywood, surpassing in thrills the Relief of Lucknow. No one knows exactly how the emergency arose, yet there it was: Not an artificial eyebrow in all California. Cameras were idle; actors and actresses, unable to emote, clustered in the studios silently, despairingly. Not a sound could be heard except the overhead clicking along like a taxi meter. Then to the agonized executives pacing their platinum-paneled offices came the roar of planes with cockpits full of life-saving eyebrows.

In another instance air express was a Godsend to California citrus growers. Red scale was attacking the orchards. Insects from South Africa to fight this pest saved millions of dollars. Returning the favor, other insects were air expressed from Honolulu to South Africa to rescue a sugar cane crop.

A huge motor generator in a manufacturing plant burned out. New armature windings weighing 2,675 pounds were rushed by air, saving days of costly inactivity. Scarcely a week passes without shipments by air of steam shovel parts for machines broken down on distant projects.

From sample dresses just off the ship from France, newsreels, electrotypes for simultaneous publication of ads in a score of cities, to canaries sent as a Mother's Day greeting, air express takes them all in stride, a seven-league boot stride.

Kisses by Postal

It was cleared up definitely, at 11:52 p.m. Friday, August 27, that Postal Telegraph—whatever the demands might be for it—would not engage in the business of transmitting kisses.

The city editor of the Detroit *Times*, who had sent a kiss, without signing it, to Miss Dorothy Kilgallen, recent round-the-

world air racer and New York *Evening Journal* reporter, was so informed by Postal at that time. In view of the fact that the service was being wound up, the city editor was told, Postal would not charge him for having one of its presumably more handsome and aggressive messenger boys kiss Miss Kilgallen, at her home in Brooklyn, on his behalf.

It goes without saying that the city editor was gentleman enough not to try to kiss Miss Kilgallen collect.

The whole thing started, on Tuesday, August 24, when Isaac Benesch, stage director, and Miss Margery J. Lewine, stylist, both of New York, realizing the wide scope of Postal's services, wondered if those would not embrace the delivery of a kiss.

They asked Postal if a kiss could not be delivered to their mutual friend, Kaufman Ray Katz, New York, who was vacationing at the President Hotel, Atlantic City. Postal officials found no rule against it, and sent instructions through to Atlantic City. Mr. Katz was duly kissed by Messenger James McGuigan.

But immediately, as the New York *Herald Tribune* duly reported next morning, the unusual problem of what to do about kisses was placed before Mrs. Katherine Bleecker Meigs, director of Postal's personal service bureau. Mrs. Meigs, as you doubtless know, is empowered to tell you whether you should wear striped pants at a morning wedding at the Little Church Around the Corner, and what to do about all the forks at dinner—in addition to an appropriate something to wire at a funeral.

Mrs. Meigs, said the New York *World-Telegram* that afternoon, hadn't yet made up her mind.

Meanwhile, the Associated Press, United Press, International News Service were carrying stories to the nation's 1,800 daily newspapers about Postal's quandary. Editorials were being written about it. Should Postal Messengers Kiss? And if so, Whom? And How? And, presumably, What Should Postal Charge for Getting the Nation Thus Warmed Up?

Now, if you are one of those who believe that such quandaries just happen at Postal, you don't know Philip N. Schuyler. As publicity director, Mr. Schuyler's job is to help get Postal talked and written, and wired about. In his modest way, he confessed to SM that he planted the kiss idea with Miss Lewine and Mr. Benesch, and then he planted the story with Stanley Walker of the *Herald Tribune*. Soon other newspapers were calling up for confirmation.

And soon everyone was wondering how much it would cost to kiss Miss Marlene Dietrich by Postal Telegraph, and how it would feel.

Postal has no record of kisses for Miss Dietrich, however. Perhaps, deep down in their hearts, the men of America knew that Miss Dietrich probably wouldn't give a damn about them, anyway.

Truck Pets

"Princy" and "Prancy" are the appropriate and euphonious names of the orange-and-black twins; latest additions to the fleet of streamlined delivery trucks which carry the seven daily editions of the Newark *Evening News* to dealers in city, suburban and outlying territory throughout Northern New Jersey.

The peregrinating *News* trucks with their special body designs and glass side panels have come to be generally recognized as a characteristic feature of the local landscape, and each proudly carries its own distinctive name. There are "Duty" and "Beauty"; "Lucky" and "Nifty" and "Honey"; "Speedy" and "Steady," etc.

The practice began tentatively some two years ago, and the names "caught on" so readily with drivers and dealers and the bystanding public that it has become standard for the entire fleet of 40 trucks which are maintained to service the 30 regular delivery routes.

Old Silas Crabtree, who was dedicated to the proposition that there is no sentiment in business, would doubtless consider this

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The entire hardware trade **KNOWS IT** when you advertise in *Hardware Age*

THE sales promotional power that you carefully work into your advertising has its *full impact* upon the active buyers and sellers throughout the hardware field, both wholesale and retail, when you project it through *Hardware Age*.

Because it is accurately fitted to their business needs, active business men of the hardware trade in every part of the country subscribe for and read *Hardware Age*. Its circulation—purely voluntary, paid subscriptions—practically saturates the hardware field.

Their continued appreciation for the paper's practical, day-by-day utility in the conduct of their business is the quality that insures to you effective delivery of your sales message to the men throughout your hardware market who can bring about the buying and selling of more of your goods.

In the realm of national hardware trade advertising—

92% of the advertisers use *Hardware Age* and most of these (70.7%) use *Hardware Age* only.

70% of the advertising space is placed in *Hardware Age*.

★★★★

Ask for "*Hardware Age Reports*," a graphic analysis of *Hardware Age's* coverage of the hardware field.

★★★★ 4 Points That Point to Profitable Hardware Sales Promotion

★
1st.—Hardware men like **HARDWARE AGE**.
Their subscription renewal rate of

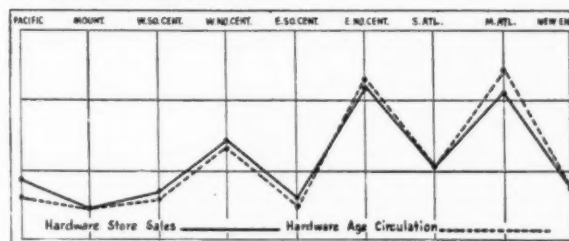
81.05%
(June 1937, A.B.C.)

tells that story convincingly.

★
2nd.—There's a copy of **HARDWARE AGE** within reach of every live hardware man in the country.

The more than 20,000 subscriptions—of companies and individuals—carry **HARDWARE AGE** into every corner of the hardware field. There is one subscription to every six people employed in the hardware trade.

★
3rd.—The selling of hardware and the reading of **HARDWARE AGE** go together very closely throughout the country as shown by the following chart.



★
4th.—Where the hardware business is, there is **HARDWARE AGE**.

From the largest cities to the smallest towns, reading hardware men read **HARDWARE AGE**.

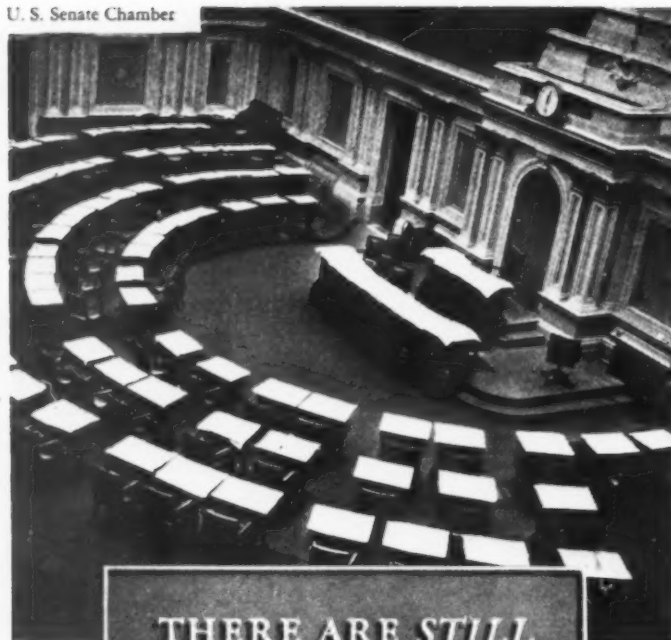
Communities	U. S. Population	Hardware Age Circulation
Over 500,000	17.0%	17.94%
250-500,000	6.5	6.83
100-250,000	6.1	6.34
50-100,000	5.3	5.94
25- 50,000	5.2	6.53
10- 25,000	7.4	11.51
5- 10,000	4.8	8.45
2.5- 5,000	3.8	8.25
Under 2,500		
Incorporated	7.5	28.21
Unincorporated	36.4	
	100.0%	100.00%

The circulation of **HARDWARE AGE** fits the hardware trade itself.

⓪
A Chilton
Publication

HARDWARE AGE
239 West 39th Street, New York, N. Y.
A.B.C. ★ Charter Member ★ A.B.P.

U. S. Senate Chamber



THERE ARE STILL
600,000
PEOPLE
IN WASHINGTON

Congress may have gone home; but Washington is no deserted village. It's *home* to more than 600,000 people who live there all year —and have more money to spend than most other people*. These people, and 350,000 more, live in WJSV's daytime primary listening area, and are constant WJSV listeners.

That's why WJSV is doing more non-network commercial broadcasting than any other station in Washington. And, in addition to its local business, WJSV carries the full Columbia Network commercial schedule. WASHINGTON is WJSV, the (District of) Columbia station.

Any office of RADIO SALES can supply you with the facts about Washington as a market and WJSV as the best way to cover it.

*Washington is a capital market. In Sales Management's recent survey of Buying Power, Washington's effective buying income in 1936—on a basis of dollars per family—is 61 percent above the national average.

WJSV

WASHINGTON, 10,000 watts. Owned and operated by the Columbia Broadcasting System. Represented by RADIO SALES: NEW YORK CHICAGO • DETROIT • SAN FRANCISCO • LOS ANGELES

[4]

christening of delivery trucks frivolous and undignified, as well as disgustingly extravagant in the items of paint and aluminum name-plates. But for all that there is sound psychology back of it, as well as ancient and honorable tradition. Both from the standpoint of Circulation Manager Harry Kallop and that of Louis Kramer, delivery contractor, results are highly satisfactory.

Mr. Kallop smilingly gives credit for the idea to Mr. Kramer, and investigation in that quarter discloses something more than a clever publicity stunt. Mr. Kramer was a successful news-dealer himself; so successful in fact that he was forced into the trucking business by force of circumstances. Then he became a sub-contractor for the *News* distribution in the Montclair district, and ultimately succeeded to the delivery contract for the entire area. Though he still operates officially as the South End Express Co. of Montclair, he serves the *News* exclusively with a background of first-hand knowledge of the circulation manager's problems.

"How a truck is driven," he says, "is even more important than how far." On a route where everybody within sight or earshot is a reader or prospective reader of the newspaper, the manners and behavior of a truck driver are of considerable consequence. Schedules are exacting, and deliveries must arrive on time, which requires a high degree of competence, but it is equally vital to avoid accidents and arguments and the incidental displays of bad temper and the amenities commonly associated with truck drivers. The names of the trucks contribute materially to this end, by providing an immediate and almost infallible means of identification, of which the drivers are continually reminded.

"Turnkey! My Scented Soap, Please"

Billy B. Van, the funny man of stage and radio, tells a story which he says illustrates to the n-th degree that thing known as winning and holding a customer. Billy, as the world knows, quit the stage to manufacture and sell Pine Tree soap. He made a deal with the Palmer House, Chicago, to supply it with those tiny guest bars. In each package he packed a coupon offering ten full-sized bars for a dollar.

Well, one day a hot check artist came along and slipped one over on the hotel. A couple of days later the man was located in another Loop hotel where he had set himself to repeat. When accused he waxed indignant and denied he had ever been in the Palmer House. But when his baggage was frisked the bottom of his grip was found filled with Palmer House Pine Tree soap which he had carried away.

Faced with that, he gave up. In a few days he was tightly locked up in Joliet. Billy had heard the story of how his soap trapped the slicker so he was surprised, a short time afterward, to get an order from the convict, on the Palmer House coupon, for soap to be sent to the prison.

But that's not the end of it. Time passed and Billy got a letter from the prison warden which said:

"One of my boys has talked so much about your Pine Tree soap that I'm sending you an order."

"Good will," says Billy, "put my soap in prison."

Still More Friends

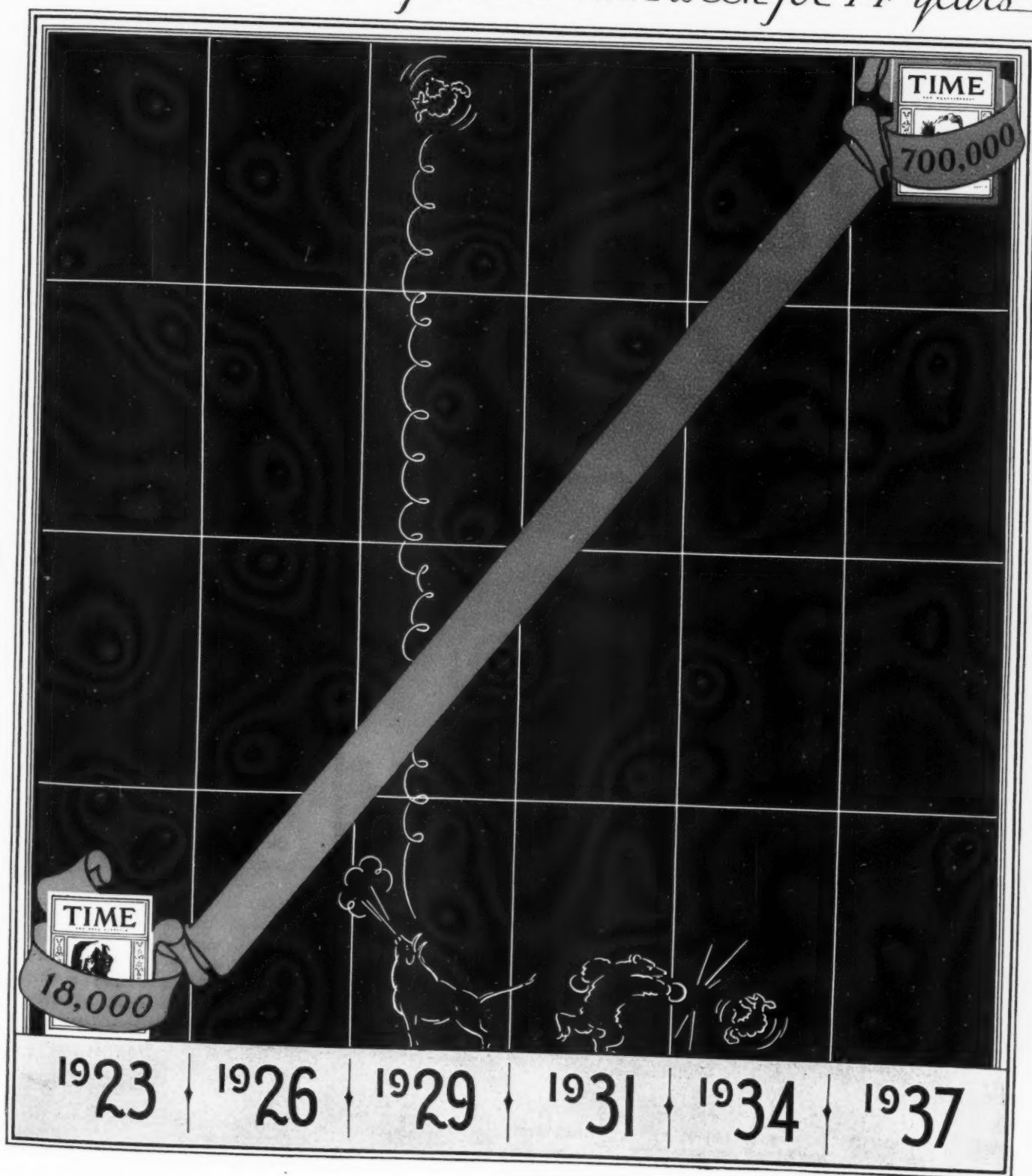
Dale Carnegie's "How to Win Friends and Influence People" has sold over 500,000 copies in eight months. Simon & Schuster, the publishers, triumphantly point out that "the average book sells less than 3,000 copies." But then, the average book has \$1,000 or \$2,000 expended to advertise it. By the end of this year S & S will have laid down a \$100,000 ad barrage to influence buyers.

By numbering each copy S & S believe they have "awakened in readers a more acute feeling of ownership and a closer sense of identity with the book." They have also scored a "first" in publishing. Mr. Carnegie would doubtless approve, for one of his methods of winning and influencing is to make a person feel important. Some 130 corporations have bought copies for their employees. If "the most popular work of non-fiction of our time" continues at its present gallop, everybody in the U. S. and dependencies will be friendly and influenced.

SALES MANAGEMENT

RAIN OR SHINE _

One thousand new families each week for 14 years



700,000 important families read TIME cover-to-cover

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Sales Management

VOL. XLI. NO. 6

SEPTEMBER 15, 1937

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Notes from the Managing Editor's Desk

If you're looking for something really helpful and informative on the Federal Trade Commission's interpretation of the Robinson-Patman Act, wade in on page 30 of this issue.

John Allen Murphy's study of the lines of executive responsibility in big corporations with respect to the handling of sales and advertising budgets is, in many respects, one of the most important features given to readers this year. It is worth detailed study especially by presidents, general managers, and all who have advertising media and/or services to sell to big business. Part I begins on page 20.

How did you like Marketing Pictographs—the new feature we started in the September 1 issue? Do you want it continued?

If you sell any kind of consumer goods, you're already scheming to get as much Christmas business as you possibly can. Keep an eye out, then, for a survey we've just commissioned Market Research Corporation to do (to be published in October) in 2,000 sidewalk interviews in major cities on "What Do You Want for Christmas?" We confess we're more than a little curious to see the results ourselves. The compiled data should reveal a pile of hot merchandising and advertising opportunities.

A. R. HAHN.

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EDITORIAL KINSHIP

unites five sister magazines in a single strong advertising medium

Our family tie is the true romance appeal...true romances of real life, of movies, of radio.

This common appeal selects a reader group with common characteristics... provides homogeneity of sex, age, economic

status, a homogeneity of readership confirmed by authoritative field research. The Macfadden Women's Group is the dynamic new-day vehicle for mass magazine coverage... greater coverage for '38 ad dollars.

YOUNGER MARRIED WOMEN... 75% under 35.

92% NEWSSTAND... Rechecks maintained reader interest issue by issue.

2,200,000 GUARANTEE... Over a million net paid gain in the last three years.

TIME TESTED GROWTH... Three units over ten years old! Stability, same five units for last four years!

MACFADDEN WOMEN'S GROUP

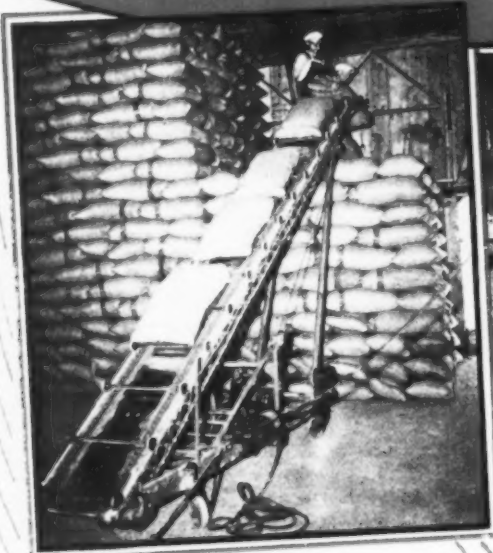
TODAY'S #1 MASS MAGAZINE CIRCULATION BUY

TRUE ROMANCES • TRUE EXPERIENCES • LOVE & ROMANCE • RADIO MIRROR • MOVIE MIRROR

SEPTEMBER 15, 1937

[7]

NEW WEALTH *flows*



WHEAT *flows* TO ELEVATORS

1937 wheat at Walla Walla grain growers warehouse eastern Washington, capacity 165,000 bushels.



Weighing Wheat

AS THIS is written, in mid-August new wealth is flowing into the Spokane area in greater volume than for many years.

The second half of 1937 is already showing substantial gains over the year's first six months when the following advances were recorded over the same six months in 1936---

GAINS IN SPOKANE--- Residence building permits: number, 27.3%; value, 18.5%; Bank clearings, 9.6%; Bank transactions, 20.2%; Deeds, Spokane County, 11.0%; New automobile sales: 1.7% over 1936; 45.1% over 1935 (Spokane Market)



The SPOKANE MARKET has

\$63,000,000 Grand Coulee Dam.
One of nation's greatest farming, fruit-growing and wheat-producing districts.
A great lumber industry.
5 transcontinental railways.
111,847 Urban families.



TRAFFIC *flows* TO STORES

Main street of Lewiston, Idaho in August, 1937.
Note the stream of automobile traffic.

THE SPOKESMAN-REVIEW

SUNDAY

MORNING

SPOKANE,

More Than 110,000 Net Paid Circulation (82% UNduplicated,
Advertising Representatives—JOHN B. WOODWARD, Inc.—New York—Chicago—Detroit—Boston—Kansas City—Los Angeles

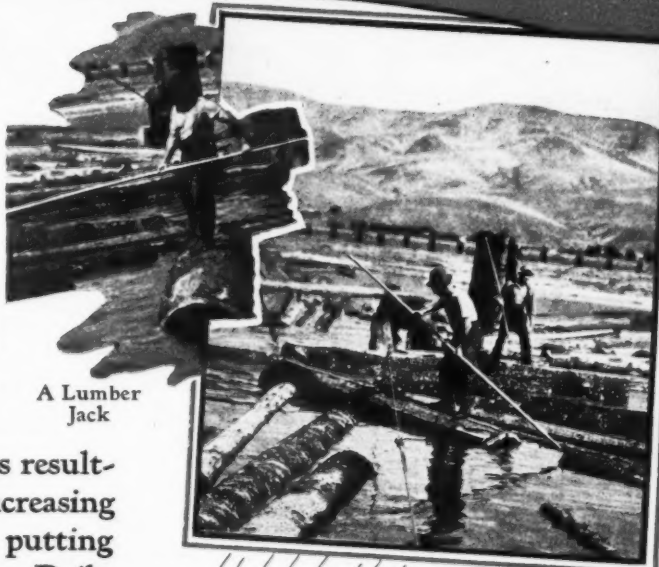
SALES MANAGEMENT

INTO SPOKANE AREA

Retail sales (29 weeks) gained 8.9% over 1936, 20.6% over 1935.

On top of these and similar gains in other lines comes the money from one of the Inland Empire's greatest harvests, from materially increased output of lumber, minerals and other basic products; and from the substantial payroll at the Grand Coulee dam, eighth wonder of the world.

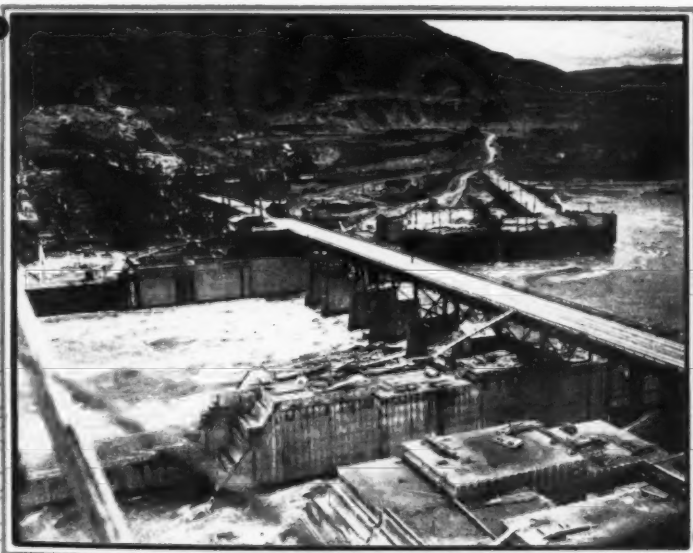
With exceptional sales opportunities resulting from these favoring factors, an increasing number of substantial advertisers are putting The Spokesman-Review and Spokane Daily Chronicle on their "A" schedules in 1937.



A Lumber Jack

LOGS Flow TO THE MILLS

White pine enroute to Inland Empire saw mill to meet the big increase in demand for lumber.



WHERE COLUMBIA RIVER flows

Status of Grand Coulee project in July, 1937. Here is rising the greatest man-made structure in World history.

The Spokane Market produces

- 1/10 of nation's wheat
- 1/5 of nation's apples
- 1/4 of nation's silver
- 1/3 of nation's lead
- 1/8 of nation's gold

Aggregate Annual Value of Spokane Market Products more than \$400,000,000

OREGON IDAHO
HEART of the PACIFIC NORTHWEST

Spokane Daily Chronicle

WASHINGTON

EVENING

(R. L. Polk & Co.) Largest Circulation in the History of These Papers

—San Francisco—COLOR REPRESENTATIVES—Sunday Spokesman-Review Magazine and Comic Sections—Associated Weekly

SEPTEMBER 15, 1937

**"WE LIKE YOUR GRAVURE
RECOMMENDATION, BILL..
WHY haven't I heard about this before?"**



"Because, Frank, the complete Gravure Story has only just been written. That new Southern Group—

"I see, Bill. Those five Gravure Service Groups and the Metropolitan unit gives me a new conception of what NATIONAL advertising really means. TWELVE AND ONE-QUARTER MILLION, forty-three newspapers, sure there's no mistake, Bill?"

"Can't be. And the circulation is concentrated in thirty-nine key markets, North, East, South and West, exactly where we want coverage. Your sales department told me you would do about eighty-five percent of your business in these markets this year."

"Say, Bill, that means fifty million readers, a whole Empire by themselves. Another thing, that includes thousands of our dealers, salesmen and prospective dealers. If those fellows read anything, its probably—

"a Sunday newspaper, and especially the Gravure Section. Remember those Gallup Surveys? By the way, next time you're here I'd like to have Gravure Service give you their new angle on how much men and women 'noters' cost per thousand."

"All right, Bill. In the meantime requisition your copy department to get busy. Think we can well afford to make the gravure groups the backbone of our campaign. I still think you're a lousy golfer or else you play a beautiful customer's game." Click!

Take a tip from Bill. Write, wire or 'phone Gravure Service Corporation for surprising facts about the real economy of a gravure campaign.

GRAVURE SERVICE CORP.

420 LEXINGTON AVENUE, NEW YORK CITY

360 N. Michigan Avenue, Chicago, Ill. . . . General Motors Building, Detroit, Mich.
Chronicle Building, 5th and Mission Streets, San Francisco, Calif.

[10]

MIDWEST GRAVURE GROUP

CINCINNATI ENQUIRER
DENVER POST
DES MOINES REGISTER
DETROIT FREE PRESS
INDIANAPOLIS STAR
KANSAS CITY JOURNAL-POST
LOUISVILLE COURIER-JOURNAL
MILWAUKEE JOURNAL
MINNEAPOLIS TRIBUNE
OMAHA WORLD-HERALD
ST. PAUL PIONEER PRESS
TOLEDO TIMES

CIRCULATION . 2,321,891
LINE RATE \$5.70

EMPIRE STATE GRAVURE GROUP

BUFFALO COURIER-EXPRESS
NEW YORK HERALD TRIBUNE
ROCHESTER DEMOCRAT & CHRONICLE
*SYRACUSE POST-STANDARD

*Syracuse Herald is available, as an additional or alternative newspaper in Syracuse. The Group rate with both Syracuse newspapers is \$2.10.

Scranton Scrantonian also available as optional member. Group rate, one Syracuse paper, \$2.05; two Syracuse papers, \$2.25.

CIRCULATION . . 821,856
LINE RATE \$1.90

NEW ENGLAND GRAVURE GROUP

BOSTON HERALD
HARTFORD COURANT
PROVIDENCE JOURNAL
SPRINGFIELD UNION REPUBLICAN

CIRCULATION . . 392,132
LINE RATE \$1.30

PACIFIC COAST GRAVURE GROUP

LOS ANGELES TIMES
PORTLAND JOURNAL
SAN FRANCISCO CHRONICLE
SEATTLE TIMES

CIRCULATION . . 795,922
LINE RATE \$2.05

SOUTHERN GRAVURE GROUP

ATLANTA JOURNAL
BIRMINGHAM NEWS & AGE-HERALD
DALLAS NEWS
FORT WORTH STAR-TELEGRAM
HOUSTON CHRONICLE
KNOXVILLE NEWS-SENTINEL
MEMPHIS COMMERCIAL APPEAL
NEW ORLEANS ITEM-TRIBUNE

CIRCULATION . . 838,873
LINE RATE \$2.65

SALES MANAGEMENT

"The Strenuous Life"

*"... I wish to preach not the doctrine of ignoble ease,
but the doctrine of the strenuous life..."*

Theodore Roosevelt, in Chicago April 10, 1899



The Chicago Daily News Building

The Chicago Daily News was the first newspaper in Chicago

- to publish a sworn day-by-day circulation statement
- to place advertising upon a fixed rate basis without concessions to anyone
- to give all advertisers equal opportunity for "position" in the paper
- to use the Linotype machine
- to adopt the "Hi-Lo" system of stock table composition
- to establish its own foreign news service

And primarily through its advocacy were established

- the Chicago sanitary district and sanitary canal
- the postal savings bank system
- the parcel post system
- the Cook county forest preserves

THEODORE ROOSEVELT did more than preach the doctrine of the strenuous life. He lived it.

So has The Chicago Daily News.

For it has been actively interested in the welfare of its readers, its city, its state and nation during the whole of its sixty-one years of life—a period embracing peace and war, prosperity and depression, great growth and change; a span of years charged with events that tested the mettle of men ... and newspapers.

We who are close to The Chicago Daily News believe character and service have carried it through to its present reputation—a reputation admired and respected by newspapermen everywhere.

We would point to its founding two days before Christmas, 1875, armed with principles and the strength to abide by them. Its columns always have been clean. It has aimed to be accurate in its news reporting and fearless in its editorial expression. It has maintained strict advertising regulations.

■ ■ ■

Over 430,000 able-to-buy families welcome The Chicago Daily News into their homes every week day evening ... and without the influence of prizes, premiums, or any other artificial stimulants to circulation growth. Yet there have been twenty-five circulation gains in twenty-five consecutive months.

More major advertising records have been won by The Chicago Daily News than by any other newspaper in Chicago—morning, evening or Sunday*—testimony that advertisers find space in its pages a profitable investment.

* Sources: Advertising Record Co., Media Records, Inc.

THE CHICAGO DAILY NEWS

Chicago's HOME Newspaper

WITH THE MOST VALUABLE CIRCULATION IN THE CITY

DAILY NEWS PLAZA, 400 West Madison Street, CHICAGO

NEW YORK OFFICE: 9 Rockefeller Plaza • DETROIT OFFICE: 4-119 General Motors Building • SAN FRANCISCO OFFICE: Hobart Building

SEPTEMBER 15, 1937

[11]



The Wind Blows Fair

For manufacturers of building materials and equipment interested in the New York residential market.

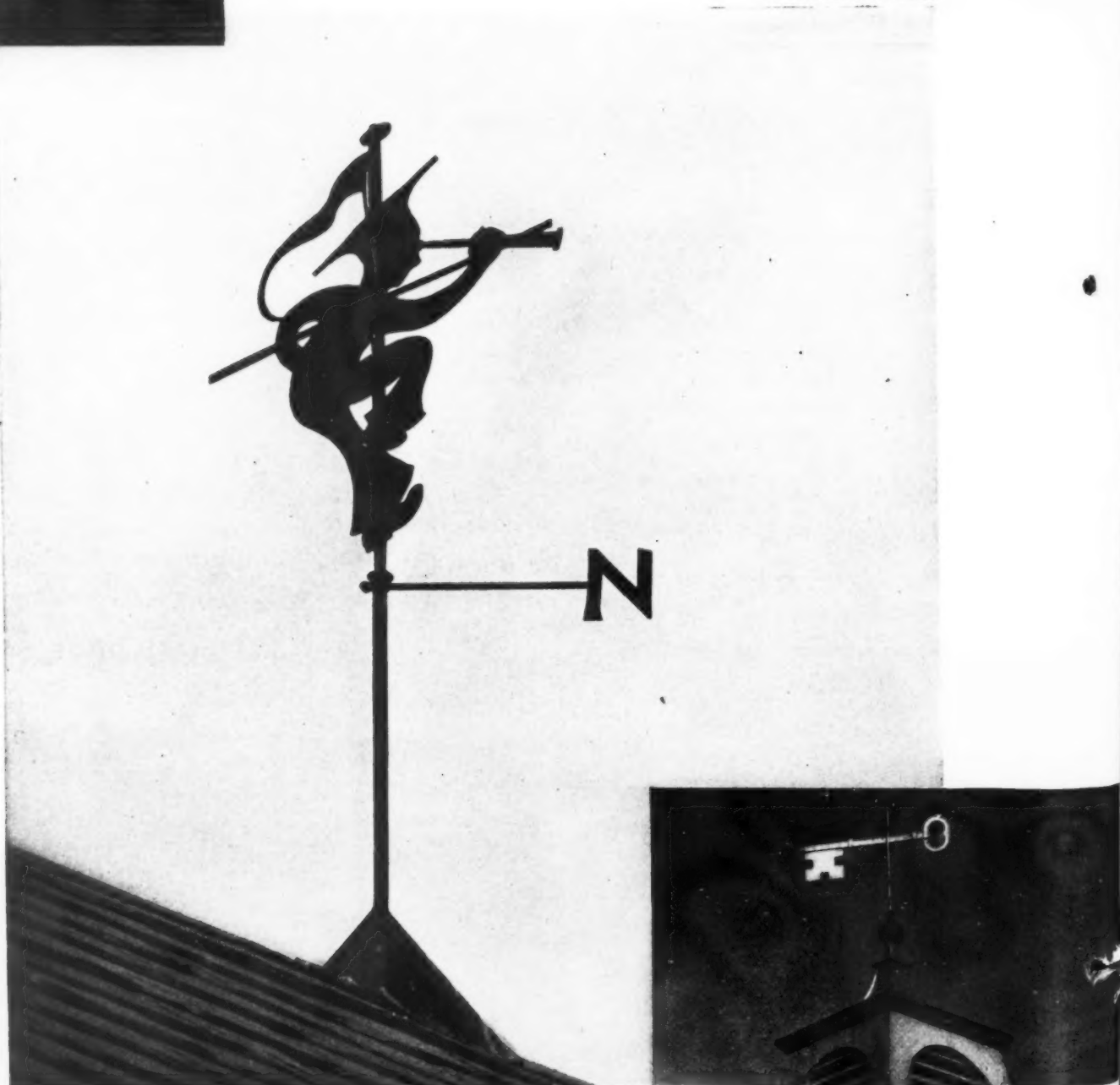
This is an open invitation to company executives and their advertising agencies to investigate how this market can be covered *for less money* than ever before.

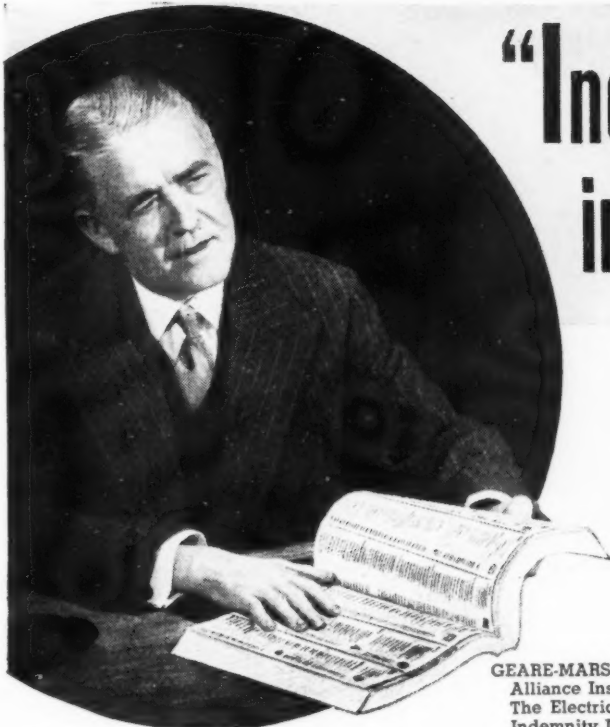
THE HOMEFINDER

420 Lexington Ave.

New York, N. Y.

GEORGE H. VAN ANDA





"Include 'Where to Buy It' in next year's campaign"

Advertising Agencies with one or more clients using Classified Telephone Books to identify local outlets

ADDISON VARS, INC.
Hewitt Rubber Corp.

ADRIAN BAUER ADVERTISING AGENCY
Wayne Iron Works

N. W. AYER & SON, INC.
Dixie-Vortex Co.

BAER-VAN DeMARK, INC.
Cincinnati Time Recorder Co.

BALDWIN & STRACHAN, INC.
USL Battery Corp.

BATTEN, BARTON, DURSTINE & OSBORN, INC.
E. I. du Pont de Nemours & Co., Inc. (Duco)
Oshkosh Trunks, Inc.
Pittsburgh Plate Glass Co. (Duplate)

BEAUMONT & HOHMAN
Greyhound Lines, Inc.

BROOKE, SMITH & FRENCH, INC.
Timken Silent Automatic Division
The Timken-Detroit Axle Co.

D. P. BROTHER & CO., INC.
General Motors Truck and Coach
Div. of Yellow Truck & Coach Mfg. Co.
Oldsmobile Division
General Motors Sales Corp.

E. H. BROWN ADV. AGENCY
Zenith Radio Corp.

THE BUCHEN CO.
Detex Watchclock Corp.

LEO BURNETT CO.
The Hoover Co.

THE CAPLES CO.
Interstate Transit Lines
Railway Express Agency, Inc.
Union Pacific Stages

R. W. CLARK ADVERTISING AGENCY
Bauer Mfg. Co.

THE CRAMER-KRASSETT CO.
Norge Division, Borg-Warner Corp.

EVANS ASSOCIATES, INC.
Lyon Metal Products, Inc.
Paasche Airbrush Co.

E. M. FREYSTADT ASSOCIATES, INC.
Wickwire Spencer Steel Co.

FULLER & SMITH & ROSS, INC.
Westinghouse Elec. & Mfg. Co.
(Air Cond., Refrig. Dom., Refrig. Com.)

GEARE-MARSTON, INC.
Alliance Insurance Co. of Phila.
The Electric Storage Battery Co.
Indemnity Insurance Co. of No. Am.
Insurance Co. of No. Am.
Philadelphia Fire & Marine Insurance Co.

J. STIRLING GETCHELL, INC.
De Soto Division Chrysler Corp.
Plymouth Division Chrysler Corp.
Devroe & Reynolds Co., Inc.

GEYER, CORNELL & NEWELL, Inc.
Kelvinator Division
Leonard Division
Nash-Kelvinator Corp.

THE GLEN BUCK CO.
A. B. Dick Co.

GOTTSCHALDT-HUMPHREY, INC.
Multistamp Co., Inc.

HUTCHINS ADVERTISING CO., INC.
Philco Radio & Television Corp.

KEELOR & STITES CO.
Scallan Supply Co.

THE ALBERT KIRCHER CO.
Galvin Mfg. Co.

ARTHUR KUDNER, INC.
Buick Motor Division
General Motors Sales Corp.
The Goodyear Tire & Rubber Co., Inc.

LAMPORT-FOX & COMPANY
Johnson Motors

LEE ANDERSON ADVERTISING CO.
Chrysler Corp.

LEEFORD ADVERTISING AGENCY, INC.
Remington Rand Inc.

LORD & THOMAS
Delco-Frigidaire Conditioning Div.
Frigidaire Division
General Motors Sales Corp.
RCA Mfg. Co., Inc.

HAYS MacFARLAND & CO.
Alemite Corp. Div. of Stewart Warner

MACMANUS, JOHN & ADAMS, INC.
Cadillac Motor Car Division
Pontiac Motor Division
General Motors Sales Corp.

T. J. MALONEY
Sherwin-Williams Co.

MAXON, INC.
General Electric Co. (Radios, Washers & Ironers)
Pittsburgh Plate Glass Co. (Paints)

MELDRUM & FEWSMITH, INC.
Seiberling Rubber Co.
Willard Storage Battery Co.

NEWELL-EMMETT CO., INC.
L C Smith & Corona Typewriters Inc

CHAS. DALLAS REACH CO.
Carrier Corporation

REDFIELD-JOHNSTONE, INC.
Yale & Towne Mfg. Co.

REINCKE-ELLIS-YOUNGGREEN & FINN, INC.
Addressograph-Multigraph Corp.
Page Fence Association
Webster Electric Co.

ROCHE, WILLIAMS & CUNNINGHAM, INC.
Williams Oil-O-Matic Heating Corp.
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.

ROEDING & ARNOLD, INC.
Accurate Metal Weather Strip Co.
Economy Metal Weather Strip Co.

RUTHRAUFF & RYAN, INC.
D. L. & W. Coal Co.
Dodge Division Chrysler Corp.
The B. F. Goodrich Co.

SCOTT-TELANDER
Evinrude Motors

STERNFIELD-GODLEY, INC.
Philco Radio & Television Corp.
(Metropolitan Books)

STEWART, HANFORD & FROHMAN, INC.
Stromberg-Carlson Tel. Mfg. Co.

DANIEL H. STOREY ADVERTISING
Employers Mutuals of Wausau, Wis.

MILES H. SUCHER
Edwards Motor Transit Co.

HOWARD SWINK ADVER. AGENCY
Central Mfrs. Mutual Insurance Co.

UNITED STATES ADVERTISING CORP.
Libbey-Owens-Ford Glass Co.

VAN SANT, DUGDALE & CO., INC.
H. B. Davis Paint Co.

YOUNG & RUBICAM, INC.
Packard Motor Car Co.

CLASSIFIED TELEPHONE DIRECTORY

Radios Retail

STROMBERG-CARLSON RADIOS

Radios whose price tag justifies the slogan "There is nothing finer than a Stromberg-Carlson"

"WHERE TO BUY IT"

WHOLESALE DISTRIBUTORS

CHAYMAN ELECTRIC CO.
1229 Spruce St. CH 111-8400

AUTHORIZED DEALERS

Albers Radio & Appliances Co.
12 N. Wacker CH 111-1312

Stromberg Radio Sales & Service Co.
1229 Spruce St. CH 111-8400

AMERICAN TELEPHONE AND TELEGRAPH COMPANY, TRADE MARK SERVICE DIVISION
195 Broadway, New York EXchange 1-9800; 311 West Washington Street, Chicago OFFicial 9300

new—14

*additional stations have joined
the Columbia Network since January 1.*

WGBI . . . Scranton, Pa. WRVA . . . Richmond, Va.
WAIM Anderson, N. C. WEOA . . . Evansville, Ind.
WMAZ . . . Macon, Ga. WCHS . Charleston, W.Va.
WCOC . Meridian, Miss. WPAR Parkersburg, W.Va.
WKBB . Dubuque, Iowa KGLO . Mason City, Iowa
WTAQ . Green Bay, Wis. KDAL Duluth, Minn.
WKBH . La Crosse, Wis. KOY Phoenix, Ariz.

Complete data on each are available from CBS.

more—10

*Columbia Network Stations
increased their power. From Buffalo to San
Francisco, CBS stations have increased their
power; and in such key markets as Cincinnati,
Des Moines, Knoxville, Little Rock, Orlando,
Pensacola, Peoria and Sioux City. Of particular
interest is the new KSFO, San Francisco which
has both increased its daytime power to 5,000*

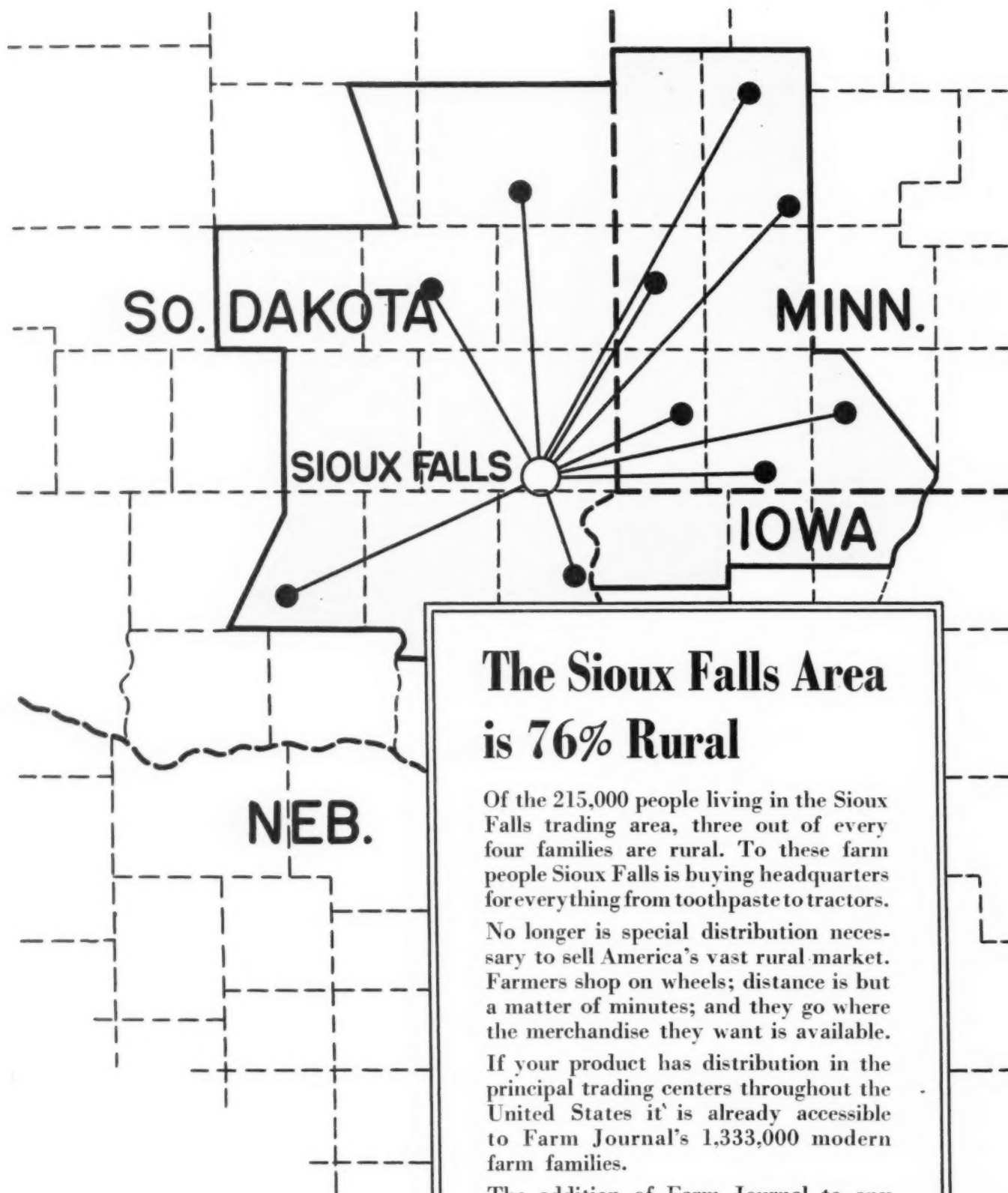
better — 48

Columbia Stations made

other major advances in their facilities.

In addition to KSFO, Columbia stations in every section of the country have made major improvements in broadcasting facilities. These frequently are the equivalent of a 20% to 200% power increase in the brilliance and strength of the stations' signal. The whole story is told in the latest CBS brochure "...TO SHRINK SPACE" which gives, in detail, all CBS technical improvements since the first of the year. Your copy is available on request.

COLUMBIA
Broadcasting System



The Sioux Falls Area is 76% Rural

Of the 215,000 people living in the Sioux Falls trading area, three out of every four families are rural. To these farm people Sioux Falls is buying headquarters for everything from toothpaste to tractors.

No longer is special distribution necessary to sell America's vast rural market. Farmers shop on wheels; distance is but a matter of minutes; and they go where the merchandise they want is available.

If your product has distribution in the principal trading centers throughout the United States it is already accessible to Farm Journal's 1,333,000 modern farm families.

The addition of Farm Journal to any national advertising list adds, at low cost, this tremendous market, able and willing to buy.

FARM JOURNAL

GEARED TO THE MARKET
THAT SHOPS ON WHEELS

Significant Trends

As seen by the Editors of SALES MANAGEMENT for the fortnight ending September 15, 1937:

Is the Stock Market Right?

When, on September 7, the stock market broke to new lows for more than a year, many concluded that "they" were forecasting a considerable period of declining sales and earnings. But are the sellers of stocks correct in their appraisal of business in months to come? An examination of the records indicates that speculators and even investors are wrong just about as often as they are right.

• • • Charles G. Dawes, former Vice-President, and now chairman of Chicago's City National Bank & Trust Co., predicted early this year that the current wave of good business would last until 1939, but that a stock market break would occur in late 1938 or early 1939 and that there would be a *minor* recession in business lasting one or two years.

• • • After the market broke last week he continued to hold his ground. "I see a continuance of good trade this year and next. I see no indications in business of a lack of confidence and expect to see business conditions satisfactory.

• • • "As to the lack of buying power in the stock market, setbacks in speculative markets in times of prosperity are to be expected. For instance, a stock market depression started in 1899 and lasted throughout most of 1901, while general business conditions remained satisfactory."

• • • If you believe in industrial production as an index of general business, you won't get too pessimistic. According to Federal Reserve Board figures industrial production turned upward in July and, while the August figures of the Board are not yet available, the business index of the New York Times—which is based on production items—hit a new high for the recovery in August.

• • • Visitors to New York's Wall Street district from other parts of the country have a far more cheerful outlook on the immediate future than do the habitués of the financial district. In a large measure they base their optimism on the increased income of industrial workers and the high farm income. See notes under the chart below for comment on farm income.

• • • Twenty-five billion dollars—that is the amount of greater income that the American people have available to spend in 1937 than in 1933, the year of lowest income during the depression. . . . And more important than the simple matter of how many dollars of income the American people have available is the question of how much the dollars can buy in terms of goods or services. Living costs are now sufficiently below 1929 levels so that the 1937 income will buy about the same amount of goods and services as the 1929 income did. See the chart on the following page for a clear exposition of this all-important fact.

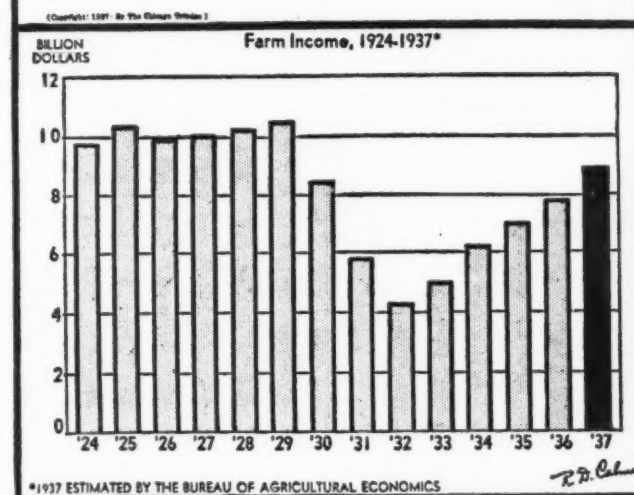
SEPTEMBER 15, 1937

• • • Automobile production—which has pulled us out of other depressions and has been a forerunner in the recovery of the last four years—last week was, according to the *Times* weekly index, 157.4 of the 1927-1930 average. In August it hit 159—an all-time high, even including 1929. In interpreting these figures it is well to remember, however, that the production date of new-year models has been moved up from where it was in the period which is used by the *Times* as the base.

• • • The one feature of business which is most discouraging at the moment and which should bear close watching, is inventories. This applies both to manufacturing and retail establishments. In the manufacturing field the situation is spotty, with some important industries carrying very little inventory and others exceptionally, perhaps dangerously, large ones.

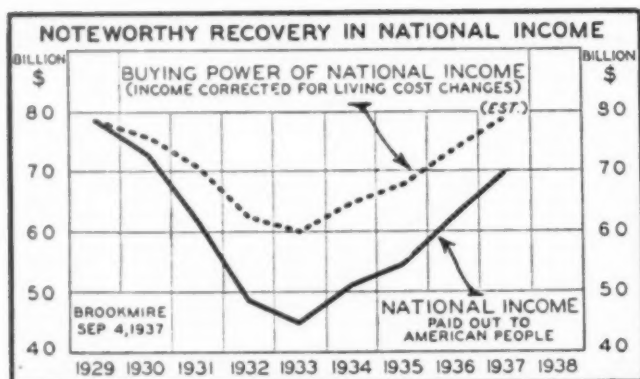
• • • Certain it is that retail sales during the months of July and August did not reach the heights expected by merchants. The latter increased their inventories appreciably in the Spring because of confidence in increased purchasing power of the people and fear of inflation. Reports on July department store sales and stocks in various Federal Reserve districts indicate that sales during the month did not keep pace with inventories—although the disparity is not so great as to be a marked deterrent to wholesale selling

Farm Income This Year Will Be Largest Since 1929



Government authorities estimate that the farmers' income this year will closely approximate the good years of 1924-1929. The chart, reproduced through the courtesy of the *Chicago Tribune*, pictures the \$9,000,000,000 income as compared with 13 preceding years. "It is significant," says the Department of Agriculture, "that farm income will be more evenly distributed over the entire nation than in any recent year. This distribution of the income is in contrast with recent years when droughts reduced production in many areas. Farm prices advanced as a result of droughts but this advance failed to help many farmers whose production was sharply reduced by the weather."

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This Brookmire map dramatizes the ebb and flow of the national income in comparison with the cost of living. After 1929 income fell far more rapidly than the cost of living, but now the disparity is being ironed out and Brookmire believes that the *real* income is roughly the same as in 1929. There are fewer dollars, but those dollars buy more in goods and services.

if retail business picks up after Labor Day. The figures for available Reserve Districts are:

Federal Reserve District	July, 1937, compared with 1936	
	Sales	Stocks
Philadelphia	- 1.0	+22.0
St. Louis	+ 8.4	+21.4
Cleveland	+10.4	+26.3
San Francisco	+ 3.0	+ 8.0
Dallas	+ 4.6	+13.1
Richmond	- 4.2	+12.1
Atlanta	+ 6.5	+19.7
Kansas City	+ 5.0	+ 8.9
Chicago	+ 7.9	+16.4
New York	+ 1.7	+18.9

Does Age Handicap Salesmen?

ing department stores made by Charles C. Stech, a New York employe relation specialist. For every \$100 worth of goods sold by a person in the 20's, a clerk between 30 and 40, with the same opportunities, sells \$102.04; from 40 to 50, \$107.38; and over 50, \$108.78. . . . Do sales of manufacturers' men also increase with age, or is there a tapering-off period somewhere along the line?

• • • Would you, as a sales executive, like to know? If you would be interested in the findings of a survey by age groups among manufacturers' salesmen, drop a note to the executive editor of this magazine.

• • • Taking the electric refrigerator industry as an example, year after year the industry achieves new highs in production and sales. This year for the first seven months unit sales are up 16% (and incidentally, the big gains this year are in the industrial section of the Middle Atlantic and East North Central states.) Is it the young men in the refrigerator companies who are the big producers, or is it the young middle-aged, or the veterans with the longest experience?

• • • A survey of sales in 7,400 independent stores in July made by the Market Data Section of the Department of Commerce shows an increase of 6.5% over July of last year—which was a better gain than was achieved by large department stores or by the average for small towns in rural areas. Among the independent stores jewelry led with an

increase of 20.5%; lumber and building material dealers, 15.5%; hardware, 12.5%; and country general and grocery stores, 8.5%.

Test Markets

Summer bowling, seek to induce women and children to bowl in the afternoon, and by experiments with materials seek to reduce noise as the balls upset the pins, etc. The subsidiary will pay list prices for all equipment and financial statements will show exactly what each set-up made or lost.

• • • The part of their plan which is of particular interest to sales executives is the list of cities chosen for the experiments and the reasons for selecting each city. Five of the ten cities have been selected and two establishments are now operating—in Ottumwa, Iowa, a railroad shop town, and Marshalltown, Iowa, a farm market center. Waterloo, Iowa, was selected because it is a one-industry town, with farm implements the big employment magnet. Lynchburg, Va., was chosen because it is a city of old American stock and the company believes that if men of German extraction will play golf, a Scotch game, Americans of Anglo-Saxon descent can be induced to bowl. Evanston, Ill., was chosen as a typical high-class suburb, a city with a large college population—and as the nearest the company can come to going into a large city, which would mean competing with good customers of the parent company. In testing the effect of air conditioning in Summer, five of the establishments will be air conditioned and five will not be.

• • • A new wrinkle in radio advertising was introduced recently by the Postal Telegraph-Cable Co., which is dedicating its "Forward America" radio programs to various important industries and their associations. The first program was dedicated to the Associated Grocery Manufacturers of America, and Paul S. Willis, head of the group, was a guest speaker.

• • • Courts will be likely to have many cases come to them in the future based on state Fair Trade acts and the Miller-Tydings Bill. In New Jersey, where the law has been operative for some time, the first injunction was obtained on August 18 by a distributor of Calvert products against a New Jersey retailer who was selling Calvert brands at less than the prices fixed by the distributors. Similar suits are pending in New Jersey courts.

• • • One very positive result of Fair Trade acts is a further intensification of selective distribution. In the drug field particularly this movement has achieved increased momentum during the past year. Many manufacturers will have to choose between playing along with the small and more numerous retailers or with the larger but less numerous chain and department store organizations. In the next issue William H. Ingersoll will offer further practical advice on just how to take advantage of the opportunities offered under the Miller-Tydings Act.

• • • Construction experts believe that the delay in reaching a real building boom will partly cause a business decline—but that the steadily mounting building index will provide a cushion which will mitigate the depth of the decline.

Color Choice: (Right) The East and Southeastern sections of the country prefer black automobiles, while the Far West takes its cars in gayer greens, grays, browns, and blues. These preferences do not vary by seasons; geography is the controlling influence. Therefore Chevrolet keeps tabs on current color trends with this map divided into seven zones or groups of states. Every week reports of customer choices are posted by General Motors' art and color experts.



Paged By Graham-Paige: Storrs J. Case, at left, former southern sales manager for Nash Motors, is appointed director of advertising and sales promotion by Graham-Paige Motors Corp., Detroit. R. B. Blanchard, at right, who has been acting ad manager for G-P, moves into the sales promotion manager's post, to which position he brings 14 years' experience in auto sales and ads.

High and Wide: (Below) Seagram Distillers Corp., New York, rings changes on its San Francisco-Oakland Bay Bridge spectacular sign with the seasons. Illustrated is the warmer weather message seen by the 100,000 passengers of the 30,000 cars that cross the bridge daily. When cooler weather reaches the Pacific Coast, the 35-foot high and 60-foot long neon will be devoted to Seagram whiskies.

Full 90 Proof. Distilled from 100% American Grain Neutral Spirits. Seagram-Distillers Corp. N. Y.

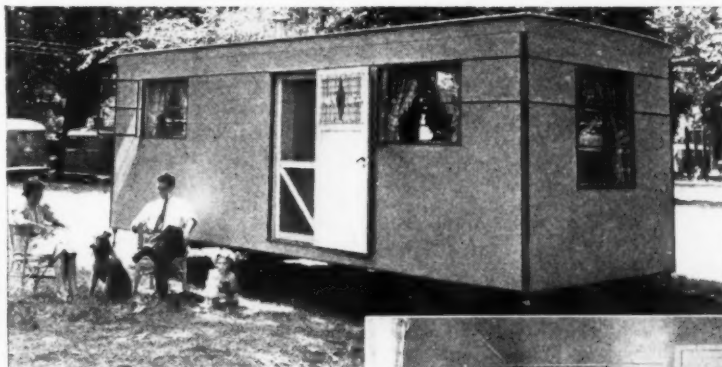
Electrifier: (Below) Paul B. Zimmerman, for 25 years with General Electric's appliance division, one of the best known executives in that field, has become v.-p. in charge of sales for Norge division of Borg-Warner Corp., Detroit.



He Goes Up, Too: (Above) Ralph J. Cordiner steps into the place vacated by Mr. Zimmerman. Formerly asst. mgr. of G-E's appliance and merchandise department, he will now assume the duties of general manager of appliance sales. He's been at Bridgeport since 1932.



NEWS REEL



Semi-Trailer: Covered Wagon Co., Mt. Clemens, Mich., branches out with a "Trailer Cottage." It is not intended to be constantly in motion. Rather it is a movable home, less expensive than the permanent kind. Bath and cooking units in the kitchen are built-in, but living rooms are furnished by the owners. Covered Wagon expects buyers to line-up two or more cottages when more space is needed. (See story in Marketing Flashes.)



And So Does He: Ralph C. Cameron, asst. mgr. of G-E specialty appliance sales, moves to sales managership of Kelvinator's household appliance division—the third man in the fortnight's job shifts in this field. He will oversee Kelvinator's domestic refrigerator, electric range, washing machine, and ironer activities. Since 1927, when he joined G-E, he has handled work on every phase of appliance sales.

How 41 Big Firms Initiate and Clear Sales and Advertising Budgets

The most important trend discernible in this study of concerns whose combined expenditures for advertising exceed \$25,000,000 yearly is the major role now played by the sales department in the decision as to how much will be spent for advertising, and where it will be spent.

Part I of a special study

BY

JOHN ALLEN MURPHY

THE sales departments of all 41 major companies whose lines of executive responsibility were studied in this survey, exert some influence on the advertising appropriation. In 23 cases it is the paramount influence. In 14 cases it is a very powerful influence. In only four cases is it a minor influence.

To understand why the sales department is today so powerful in shaping the advertising appropriation, let us briefly examine the history of advertising. Modern advertising is scarcely 100 years old. In the first half of the last century advertising agents began to arrive on the business scene. These men were magicians who through some sort of legerdemain were able to get hold of a list of newspapers. This list was their chief stock in trade.

The assembling of a list in those days was a prodigious task. It could be built tediously by talking to commercial travelers, by getting a roster of customers from type founders and newsprint houses, by looking over the exchange list of a friendly local publisher and by sleuthing in a dozen other ways. Once a list was assembled, getting some remote notion of the rates and circulations of the papers was an even harder job. Obviously,

an advertiser could not get going until he had a list of media.

In 1869 George P. Rowell brought out the American Newspaper Directory, which was the first printed list of media. Its publication did much to develop advertising. Nevertheless, for years afterwards—in fact until the present century—space buying remained the advertiser's most important job.

The average advertiser of this period was a proprietor of a small business. He had no organization. The boss was the whole works. He may have had a few salesmen, but he directed them himself. As the business grew, the first outside executive to be hired was usually an advertising manager. Some one was needed to ferret out the circulations of the papers that were being considered and to beat their rates down to rock bottom. Also, even in those days, a tremendous amount of detail followed in the wake of advertising. A man with some "professional" knowledge of advertising was required to supervise this detail.

Copy-writing was the second department of advertising to develop. As newspaper circulations grew, and magazines came into existence with circulations that reached up into the

hundreds of thousands, rates increased correspondingly. Shrewd advertisers saw that buying this space was only half of the job. It was just as important to fill the space with pulling copy, particularly in an era when much value was attached to inquiries. Thus advertising's spotlight shifted to that great galaxy of copy stars—John Powers, John Kennedy, Charles Austin Bates, Claude Hopkins, Earnest Elmo Calkins and numerous others.

The next step in advertising development was the contribution made by the graphic arts. It was found that even the most brilliant copy is handicapped unless it is invitingly illustrated, set in appropriate type and well printed on good paper. A mere catalog of the names of the illustrators, visualizers, type designers, typographers, creative artists and specialists in every division of the graphic arts, that this movement brought into advertising, would fill a book.

Advertising, however, did not attain maturity until it reached its fourth stage—the stage it is in now. In this stage advertising began tying-in with the other departments of the business. Until this fourth phase arrived, advertising played pretty much of a lone hand. Little attempt was made to coordinate it with the company's other selling activities. Usually the advertising department was separated from the rest of the business. Certainly, no one expected advertising to mesh into the regular selling machinery.

First Ads: Shots in the Dark

At this period few advertisers had sales managers. In fact, the sales of most concerns, as compared with today, were unbelievably small. The total sales of the average advertiser would not make a sizable advertising appropriation in 1937. Distribution set-ups were generally weak. Marketing was not organized. Because of this many advertisers tried to serve readers direct by offering samples or even to ship trial orders. Most advertisers, however, just shot into the dark, hoping somehow those that were interested would be able to buy the goods in some way, perhaps by forcing their dealers to stock them.

This picture changed completely with the arrival of Big Business. Big Business started to emerge with the merger movement of the 90's, but it did not reach its full fruition for another 25 years. Today, the average advertiser is a large concern. More than likely, it is one of the 1,200 large corporations that dominate the current industrial scene.

The organizations of these companies are veritable labyrinths. The

SALES MANAGEMENT

Confidential Advisor to American Business

For the past ten years John Allen Murphy has been engaged in what he terms Marketing Merchandising-Research. It includes such diverse services as gathering data for advertising copy, preparing sales presentations, devising sales promotion plans, making field surveys, writing sales manuals, and even writing speeches.

"In other words," he says, "I do the thousand and one supplementary things that advertising agencies feel that they should do for their clients, but which they are not generally set up to do. A great deal of my work is confidential. In the last ten years I have handled more than 300 major jobs."

He is a frequent contributor to *SALES MANAGEMENT* and other trade publications. All of his writings are based on a knowledge of the national business scene that is wide as well as deep. He knows what goes on backstage and up front, too.



old-time business man would not have had the genius to conceive them—nor the capacity to direct them. It was organizing ability that brought Big Business into existence. It is organization, the coordination of multiple activities, the establishment of a system that delegates adequate authority to under-executives and that controls the work of these executives at a central point that makes Big Business possible.

Big Business would soon go smash without coordination. Some one must be responsible for the operation of the enterprise and to see that it functions smoothly. Usually it is a president, executive vice-president or general manager.

Three main divisions usually radiate from this chief executive and get their authority from him. These divisions are finance, production and sales. In the larger companies, a vice-president generally heads each department. In any company the department chief must be an able executive, regardless of his title. Each executive must be in full charge of his division and be capable of assuming entire responsibility for all that goes on in it.

As a rule, the executive in charge of sales directs all of the company's marketing activities—salesmen, branch offices, distributors, sales promotion, advertising, publicity, public relations, etc. The sales director may have a score of executives under him—sales managers, product managers, export

manager, sales promotion manager, advertising manager, etc. These department managers are themselves able men, and generally have full authority within the province of their departments. They are in charge of all work in their departments and are answerable to their chiefs only as to results. They must, however, run their sections in accordance with the plan of operations which has been established for that year. They are responsible for coordinating their particular task with the company's basic objectives.

Those objectives are to make sales at a profit. Every commercial concern is in business to make money. The job of the sales director is to see that this objective is attained. In accomplishing it, he surrounds himself with able lieutenants—advertising managers, promotion men, sales specialists of all sorts.

Big Business pretty much follows the military organization set-up. There is a general staff at the top, which corresponds to the board of directors. Then comes the general, who is the president in business. There follow lieutenant and brigadier generals, who are equal to vice-presidents. After this, there are colonels, majors, captains, lieutenants, sergeants and corporals. In business as in the Army, each officer has full authority over those under him, but derives his authority from the officer who is over him. This is the only workable basis

on which a large enterprise can be carried on. I know of no company of any size that does not essentially follow this plan of operation.

When a company adopts this type of organization, all of its activities are tied together more tightly. Better team work prevails. Its executives—and, in fact, all employees—are better able to work as a unit. It is easier to carry out company policies. All departments can aim toward a common objective.

Authority originates at the top, in the board of directors, in an executive committee or in the management somewhere. Authority passes down through the division responsible for carrying out that particular objective. If it is a sales, promotion or advertising matter, authority runs down through the sales division until it reaches the executive whose responsibility that job is.

Because of the almost universal prevalence of this plan of organization in large and medium-sized businesses, tremendous changes have come into the handling of advertising appropriations in the last 15 years. I did not realize how far-reaching these changes are until I made this study. Several of these changes are significant. For instance:

(1) Most advertising today is directed towards the attainment of sales objectives. Only a few of us old-timers appreciate what that change means. When I was growing up in

advertising, selling and advertising were independently conducted, as a rule. In a sense, they were aimed at the same objective, but they were not tied together enough to be mutually helpful. Too much advertising in those days was trying to get the consumer to force retailers to stock. The majority of salesmen were not "sold" on advertising.

Today, however, advertising is expected to pull its weight in the sales boat, and to contribute directly toward the accomplishment of sales objectives. Usually the advertising campaign is laid out as a unit in the general sales campaign. It is regarded as part of the sales effort. It is one of the many vital instrumentalities that the sales director must use to attain the sales volume that his quota demands.

(2) Another change that has come into appropriation-building methods is that the time element has been greatly lengthened. It used to take advertisers months to decide whether they were going to advertise during the coming year; but, once they did decide, the allotment of the appropriation to media or to markets only took a few days.

Advertising a "Must" Now

There is no longer any discussion as to whether a company will or will not advertise. Advertising is appropriated automatically as part of the general budget, usually on some fixed basis, such as a percentage of sales. Today, the discussion is where, how and when the appropriation will be used. In most concerns, it takes at least three months to organize an advertising campaign. In some companies it takes six months. A few advertisers work on their appropriation all through the year.

(3) More people have a voice in making up an advertising campaign than was the case a few years ago. In those days the big boss decided how much he would spend for advertising. Details were left to the advertising department to carry out.

Today, the preparation of an advertising campaign does not start at the top of the business. In many cases, it starts out in the field. Some companies let their more important dealers and other distributors have a voice in the placing of the advertising. They are asked to recommend the media and the type of advertising that they would like and that they have found is most helpful to them.

Of the 41 advertisers whose methods I have examined, 27 consult their salesmen about their advertising. And

practically all experienced advertisers are today giving their district sales managers, branch managers, division managers, and managers of subsidiary organizations a chance to say how and where the company shall advertise. Several concerns have district sales managers on their advertising committee.

Nowadays, not until all these data have been assembled from the field, and a tentative campaign has been decided on by the advertising committee, is the approval of the Big Boss sought. The job that used to start with him now ends with him.

How This Study Was Made

In getting the data for these articles, Mr. Murphy did not follow the usual plan of asking advertisers how they make up their appropriations. Instead, he made a study of the organization set-up of the companies in whose methods he was interested. He traced the growth of these organizations from their small beginnings. He found out where executive control is centered and through which channels authority radiates from the management. After that it was a simple matter to learn how the advertising appropriation is built.

Some of the organizations that Mr. Murphy studied are: The Borden Co., General Motors Corp., General Electric Co., the duPont interests, Bakelite Corp., Koppers Co., Johnson & Johnson, American Radiator Corp., Carrier Corp., American Home Products Corp., Tide Water Associated Oil Co., Aluminum Co. of America, Johns-Manville, General Foods and Jacob Ruppert Brewing Co.

Information about each company was received from a wide variety of sources.

An advertising campaign organized in this exhaustive manner is not only projected on a much sounder basis, but it is also more likely to succeed. The trade and the salesmen are going to work harder to put the campaign over, since they took some part in formulating it.

Some concerns do not favor this method. They claim that if salesmen and distributors are asked for their opinion and then if their advice is not followed, they are inclined to be disgruntled. Thus, more harm than good results. However, those companies that have given a serious trial to this manner of building an advertising appropriation do not agree with these objectors. They state that in a large, ramified campaign, a salesman

or a distributor is sure to recognize his contribution in it somewhere.

(4) An outstanding development is the rise of the product, division and subsidiary sales manager. These men are usually in complete charge of the sales of their departments, and sometimes have all of the authority of a general manager, although they are generally working under the executive direction of the general sales manager of the company. He leaves them alone, however, only concerning himself to the extent of coordinating their work with the general sales effort of the organization. These department sales managers are important men. The company depends on them for its profits. The sales manager of a division making a specialty may be making a large part of the corporation's profits.

Hence, these men can usually get what they want. The one thing they insist on is getting a bulky finger into the advertising appropriation pie. Invariably, they are able to dictate to the advertising committee, and from first to last they wield powerful influence in making up and placing the advertising appropriation.

Agency Functions Increase

(5) Large advertisers are working more closely with their advertising agencies today. In fact, the number of services that agencies render their clients is increasing all the time. Generally, these services, though, are in connection with the three main functions of advertising:

- (A) Space buying
- (B) Copy
- (C) Presentation of the copy or message or sales story.

As I have already pointed out, the last primary function of advertising to develop is the tying-in of the advertising campaign with all of the marketing activities of the advertiser. Logically, only the advertiser's marketing director is in position to do this coordinating. This more than anything else is responsible for giving the sales director the power in advertising which he enjoys today.

(6) When one compares today's industrial structure with that of 30 years ago, he is impressed with the complexity of the present set-up. Business organization was unbelievably simple when many of today's advertisers first started to advertise. Every detail of the enterprise was under the Boss's watchful eye. But today the Boss must duplicate himself in a hundred directions. Central control is absolutely necessary to hold

(Continued on page 95)

The Salesman Who Gives Up Before He Is Licked

THIS aging journalist has just completed a course in gymnasium for which he paid down some of his hard-won cash for the privilege of being dogged into ladder-climbing, ring-swinging, and mat contortions for the good of his soul and body. At the last session of the class the instructor ruefully examined a big stack of registration cards before throwing them into the archives.

"They represent," he said, "83 people who registered for this course, paid for it, took a physical examination for it, then never showed up to get anything for their money!"

Said I in reply, "It reminds me of a lot of salesmen I know—they're grand starters but they never find out what the finish line looks like."

It seems to me that it's nothing short of tragic that so many salesmen lay all the groundwork for an order and nurse the prospect along to where he's about to become a buyer, then become discouraged and forget all about him. What happens? Some other salesman comes along and cashes in on his effort. Undying persistence is a trait you always find in star salesmen. They cash many a sales opportunity that a man with less tenacity would give up as hopeless.

Let me tell you about a chap named Bishop who sells life insurance for Aetna. He made up a list of 122 names he considered prospects for residential liability insurance. He mailed each one an advertising folder. He got two replies, but he sold neither on follow-up. Many a salesman would have stopped there and said, "These people are all duds. They don't want any insurance."

But Salesman Bishop wasn't so easily discouraged. He promptly started out and called on every person on the list. *Every* person. He sold 34 policies and, when I last heard about him, had eight more prospects who were interested enough to be called "hot."

To Salesman Bishop: A plaque for his persistence, an orchid for his sound salesmanship.



Sad March 1937.

Salesmen who fail to stick with potential buyers after laying the foundation for a sale are only tossing business into the lap of any competitor who has more stamina in the face of repeated turndowns.

BY

BRUCE CROWELL

The Lost Battalion: Toll of High Pressure Sales Management

More and more frequently in conversations with the editors do sales executives pass bitter verbal recriminations against the irresponsibles in selling who are spoiling hundreds of young men for the profession by luring them into commission jobs where, without any training, they have but one in ten thousand chances for success.

BY C. N. CAHILL

*General Manager and Director of Sales,
Autopoint Co., Chicago*

LET me be blunt in defining the target of this tirade: I'm gunning for all of those high pressure sales executives who, by their ruthless methods of hiring and firing, are spoiling hundreds of young men every year for future careers in selling.

These irresponsibles attract new men by wild promises of big earnings, throw them into the field with little or no preparation, burn them out in short order, and fire them. The youngster subjected to this treatment is left high and dry, probably broke, and embittered forever with selling as a career.

This problem is yours—and mine. Good salesmen are getting harder and harder to find; and, when a profession gets an unsavory reputation, it inevitably arrives at the status where it attracts fewer and fewer desirable young newcomers. If responsible sales executives fail to outlaw the tactics the high pressure artists are employing, *sales management, as a profession*, will suffer seriously.

Effective presentation of a four-square business proposition needs nothing but a simple statement of the facts—while the promotion of a dubious deal requires a smoke screen of oratory. Thus it is that when the value of a selling proposition, to the salesmen, is both questionable and uncertain of obtainment, the promoter invariably employs an indefinite and bombastic ballyhoo. He artfully avoids citation of selling facts, percentages, average earnings, drawing accounts, actual accomplishments of individual salesmen, and similar def-

inite information that the prospective salesman rightfully should receive.

Instead of citing the names of the salesmen on his staff who are in the big, easy money—the promotor sales manager asserts that they are “prosperous and happy” and so sold on their jobs that the offer of another would be taken as an insult to their intelligence. If his proposition is of a peddling nature, he names a few of the well-known big shots in business who—according to the bed-time fables in the Sunday newspaper supplements—started after their first million via the doorbell-ringing route.

However, most of the ballyhoo is devoted to painting a lurid masterpiece of hokum depicting the ease with which the promoter's salesmen locate prospects—who are everywhere thick as fleas on neglected pooches. All the salesman has to do is to punch the doorbell and say, “Here I am,” to the smiling prospect who eagerly signs on the dotted line. “The proposition sells itself.” No pleading, urging, begging or insertion of one foot between the door and the jamb are necessary. Commissions and bonus money shower into the salesman's pockets like ripe plums from a tree vigorously shaken.

Thus without a vestige of the conscience, shame and honor—that is said to be possessed even by thieves—do these harpies prey on the credulity of young men inexperienced in the selling field.

Every once in a while I receive a communication from one of these crafty bunksters, suggesting that if Autopoint has applications for selling jobs that cannot be accepted, I would be rendering a noble service to flaming youth by sending a list of such names to the writer.

And, being a heartless wretch—I do *not*!

Instead I privately vituperate the

How Can the Profession of Sales Management Deal with “Man-Despoilers”?

General Manager Cahill has put into words in this article a problem which should be of concern to every sales executive who earnestly wishes to see the standards of sales management maintained at a high level where the profession will attract to itself a steady influx of capable man-power for the future. It is regrettably true that the unethical, short-sighted methods employed by a minority of companies that sell on straight commission are wrecking the business chances of thousands of young men by their ruthless hiring, driving and firing tactics—young men who might, under different conditions, be developed into assets for the industry. These men are hired recklessly, thrown into the field with no preparation, burned out in a few weeks, and thrown back, broken in spirit and embittered against selling forever as a career.

How can we prevent the exploitation of potentially good sales talent in this criminally wasteful manner? **SALES MANAGEMENT** will pay \$10 each for letters from subscribers which the editors deem constructive enough to merit publication. Letters should be in the **SALES MANAGEMENT** offices at 420 Lexington Ave. by October 15.

writer of such a letter in certain concise terms that would be tabu in refined society.

It burns me up! For emphatically I believe that if we require laws against fraud, robbery, infanticide, mayhem and murder—

—*There should be a law against "The Old Army Game"*—if only because it has killed off and destroyed the self-respect of tens of thousands of potentially excellent salesmen. Recently, one young man with splendid poise and appearance got up on the floor in a meeting of college graduates to whom I was talking on the subject of "Sales as a Profession" and floored me with the point-blank statement that his father and mother insisted that he "stay out of the sales end of any business." Others in the audience said they had been told the same by their parents. So! This is why real sales organizations and real sales managers are losing out to the "technical" and "efficiency" ends of business organizations or to the "professions." What is the one, dominant reason for such a disgraceful state of mind?

Reeking of Dignity

Just a short time ago I received a letter (just as you have no doubt received), written on the stationery of a well-known insurance company. The writer entitles himself, "Agency Organizer," thus cleverly intimating that he is not one of those old-fashioned "sales managers" who are forced to be slave drivers because densely ignorant of modern scientific methods of effortless "Agency" selling.

This letter, which lies before me as I write, is a fair sample of the bunkalorum whereby enlists of raw recruits for the old army game befuddle the issue and conceal the real purpose.

"Salesmen are *now* offered the opportunity of a lifetime," says the first paragraph.

Note the grandiose diction which, as we have noted, is always indicative of a one-way proposition offered by a "city slicker" who has a fifth ace tucked under his cuff and a set of loaded dice in his pocket. Ostensibly here is the offer of a fine connection, even for the most prosperous salesman. In reality, it is nothing but a "come-along" for the inexperienced but ambitious amateur who can be duped into the belief that fortune, in the guise of an Agency Organizer, is about to present him with a check on the National Dream Bank, signed and with a blank space in which he can write his own ticket.

Note further the devilish cunning

SEPTEMBER 15, 1937



"He wants twelve foreign titles with athlete's foot."

of this "Agency Organizer."

He writes, "We prefer college graduates, who come from excellent families, and who are able to furnish splendid references. . . . They must be truly ambitious, even though without experience."

Indicating that while membership in Phi Beta Kappa, bank reference or an inherited title of nobility are not absolutely necessary as qualifications for admission into the exclusive inner-circles of Agency Organized Doorbell Punchers—nevertheless they will help a lot.

Just how damned exclusive in his selections this Agency Organizer *pretends to be*, can be judged from his next statement:

"Only applications from men between the ages of 22 and 32 will be considered unless circumstances or exceptions are made by our officers."

So please hobble to one side, you 70-year-old ex-members of the Supreme Court, slightly senile Senators who lack votes, and bald-headed presidents of closed banks. You are blocking the line! This Opportunity of a Lifetime is only for optimists in the pink of youth and bright-eyed with hope. Especially lusty young athletes with strong legs and bunionless feet.

Truth of the matter is: The offer is to anyone—humanity in general—any-

one who can be bunked into pounding the sidewalks "on a strictly commission basis."

Little or no attempt is made to enlist, train and build up a permanent sales force. This would cost time and money—and the chances for the success of the individual salesman are so remote, it would prove a losing investment. For that reason the welfare of the individual salesman is not a consideration. Groups of raw recruits are harangued *en masse*; barraged and bombarded with "pep" talks; beguiled with bunk as to the big money-earning possibilities; and bewildered with indefinite hokum anent the glorious selling future that awaits them.

They are then sent out in the well-founded hope (on the part of the Agency Organizer) that a small percentage of them will each be able to obtain a signature on the dotted line before hunger forces them to get real jobs as bellhops, porters in taverns, delivery boys for grocery stores, etc., and even "regular sales jobs"—but only as a final desperate effort. (They already know the selling "game" is lousy.)

Being a wholesale swindle—the more the merrier. Instead of a few good salesmen being enlisted to form a permanent selling force, honestly supported—whole regiments of dupes

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are enlisted. Percentages tell. The Agency Organizer knows from experience that some of the men are just bound to get results—by pestering uncle, grandma, et al.

Thus "The Old Army Game" is destroying the hopes of thousands of young men, honest in their ambitions to sell and eager to make them realities.

It is only fair to state that not all applicants are worthy. Being solicited *en masse* from the "regular mine run" of humanity—some of them are, of course, both lazy and dishonest. Attracted by what looks like a chance to make money without doing any hard work, they naturally try to beat the Agency Organizer at his own crooked game. This cannot be done; yet, thanks to the glorious example he sets, they, themselves, become crafty schemers. Only too well do we, who have occasion to add new members to our sales forces, know this. (How much did you write off last year?)

However, a large proportion of the applicants for such connections are potential salesmen of excellent character and intent. If offered a real selling proposition, treated like men, and trained under the average capable sales manager, most of these would not fail to win station in the profes-

sion of salesmanship and become valuable assets to business, society and industry. But soon made aware that they have been made the victims of a practice which comes dangerously near being nothing but a deliberately planned swindle, many of them lose their courage, hope and initiative. Discouraged and bitterly cynical, they become highly suspicious as to the real intent of even the most ethical prospective employer.

Certainly this practice, indulged in by the few, does not tend to lessen the griefs of sales managers who are trying to find beginning salesmen to fill permanent positions on forces selling standard products and legitimate propositions. The ills thus being inflicted on the selling profession—the means whereby many thousands of hard-working men honestly earn their bread and butter—are evident on every hand.

In dead earnest I suggest that all salesmen, both employed and unemployed, and all employers who depend on salesmen, join in an organized movement to put a stop to this wholesale destruction of potential salesmen. I, for one, will do everything within the limits of my ability to make such a movement successful. It can be done!

Marketing Flashes

[Autos, Diapers, Trailers, Books, and an Electric Lighting Device all Make a Fortnight's News]

Medium-Priced P-A

Stockholders of Pierce-Arrow Motor Corp. have approved a plan to form a new corporation, taking over the present company, to raise \$10,700,000, and to enter the medium-price car field. Says President A. J. Chanter:

"We have worked out various schedules of production and have estimated what we believe the company could make in the event these schedules are realized. The first covers 1,200 of our present line of high-priced cars, 25,000 of the medium priced cars, and 4,800 trailers. On this production we could earn approximately \$1,800,000 before Federal taxes. . . . Under favorable conditions we expect to be able substantially to exceed this minimum program."

Mr. Chanter was questioned about the report that Postmaster General James A. Farley will become chief executive of the new P-A company. At press time he had declined to amplify his recent statement that "a person of national importance" will

be invited to head a middle-of-the-road P-A.

Silver Flask

A pint flask that appears to be hammered silver is Hickory Town Distilling Co.'s contribution to elegant quaffing. Product is "Captain Applejack," apple brandy from the distillery at Hanover, Pa.

Closer inspection reveals a bottle (by Carr Lowery Glass Co.) with an all-over covering of paper-backed silver-like foil, embossed in a hammered design. Cover is discreetly printed in red and black on Reynolds Metal, by Reynolds Metals Co., New York. Antique type lettering carries out the suggestion of hoary mellowness.

Dealers have been quick to spot the flask's shelf display punch, novelty, and pocket-convenience, reports Hickory Town's s.m., R. C. Pitts.

Chixdown

Amid the hurly-burly about disposable diapers, readers of advertising



Suggesting grandfather's saddlebag flask.

may lose sight of the fact that washable diapers are still the most popular infants' wear. Chicopee Sales Corp., New York, selling agents for Chicopee Mfg. Corp., is resolved that its Chixdown shall pop into parents' minds when didies are bought. Campbell-Lampee, ad agents, have prepared co-op ads for 170 department stores of 110 cities to run in newspapers. Trade paper space reinforces.

Chixdown are of open weave and open end; "developed to a new peak of absorbency"; yet "wash easier and dry faster"—a marked advantage in apartment living where space is limited. On the market only a few months, their sales are snowballing. Distribution is through one or two leading stores in each city. Endorsements by Harvard University's Dept. of Child Hygiene, medical societies, and hospitals help keep the ball rolling.

Chicopee casts no aspersions at use-and-throw-away diapers. They are good for emergency and occasional use, it admits. Baby's every-day formal and informal costume, though, should be inexpensive, chafeproof, modern—Chixdown.

Modern Age Books

Paper-bound books have long been a mirage for the book publisher. The idea seemed so reasonable. Eliminate costly bindings and fling wide the door to mass markets. Make books at two and four bits as popular as magazines. Europeans like paper books; Ameri-

SALES MANAGEMENT

Modern Age Books, Inc., New York, is out to prove that this mirage can be caught and stuffed into cash registers. Publishing experts attribute previous failure of paper book ventures to shoestring finances, too high-brow book selections, inadequate advertising. Modern Age will sidestep all three difficulties. President is Richard Storrs Childs, kin of *News-Week's* Winston Childs; v-p. and gen. mgr. is Samuel Craig, founder of the Literary Guild; editor-in-chief is L. P. Birk, formerly with Macmillan and McGraw-Hill.

As you read this, some 2,000 red steel cabinets will be inviting inspection by buyers of 82 cities. Occupying only two square feet of counter space, the cabinets hold over 100 Modern Age books at three prices, 25, 35, and 85 cents—the latter for cloth bound de luxers. They are placed in hotels, drug and department stores, airports, railway terminals, book shops, and newsstands. Four-color lithographed ad posters fit on cabinet ends.

Times and *Herald Tribune*, and in *News-Week*, and extended to 82 cities' papers as rapidly as cabinets were installed.

Trailer Cottage

"Revolutionary" is how they describe it. That's correct, for (hold your breath) it's *not* streamlined—probably the only new product introduced in recent months that wasn't dubbed streamlined, whether or no. CW's cottage doesn't need airflow lines, because it moves seldom, and then slowly. Nevertheless, it can be moved, on wheels which are hidden when the owner settles down for a good long stay. Picture on page 19.

Two or three mobile cottages connected in the form of "H's" or "L's" make a four- or five-room house for less than the price of a permanent one. The 20-foot model costs \$765; \$498 for the 14-footer. Sales will be through real estate channels.

metropoli will have trailer cities on the outskirts, where mobile homes can repose for months or years. Owners with a new job, or an itch for travel, can roll away. While they stay put, comforts are superior to touring trailers. Insulation is said to be better than that of most homes.

It's a trend. Palace Travel Coach Corp., Flint, Mich., is the latest trailer builder to turn out "shells." From an assortment of cupboards, stoves, beds, etc., buyers may then fit up their rolling homes as purse and fancy dictate, exactly as they now furnish a stationary home.

Dealers are reported to be applauding the departure, for it means a smaller investment to stock a diversity of floor plans. It will be featured in Palace's exhibits at the New York, Chicago, and Detroit Auto Shows.

Ross Federal Research Corp., New York, extends its facilities over the entire globe by affiliating with the market research division of Might Directories, Ltd., of Toronto, and an association of foreign research companies.

Color-Blend

Automatically timed at the rate of 60 seconds to each color, the cycle of three colors then repeats. "When one color is on at its maximum it soon begins the blending in of the succeeding color, and as these two colors reduce and increase in intensity they produce gorgeous hues that are everchanging. About the time the first color has completely dimmed the second color has reached its maximum intensity, and

KALTENBORN 25¢
EDITS
THE
NEWS

FROM
SPANISH
TRENCHES
COMPILED BY HENRI ALGER

RED STONES
BY WILLIAM WATKINS

RED FEATHER
BY MARJORIE FISHER

MEN WHO
LEAD LABOR
BY JAMES HANCOCK & JOHN PETERSON

OLD HELL
BY ELBERT BROWN

ALL'S FAIR
BY WILLIAM WATKINS

BLUE SEAL BOOKS

GOLD SEAL BOOKS **RED SEAL BOOKS**
MODERN AGE **BOOKS, INC.**

MURDER STORIES
MURDER STORIES 2
MURDER STORIES 3
FROM SPANISH TRENCHES
DANISH WINDHUT TALKS
BOULET WITHOUT TALKS
BOULET WITH TALKS
KALTENBORN EDITS THE NEWS
KALTENBORN EDITS THE NEWS
KALTENBORN EDITS THE NEWS
ALL'S FAIR
ALL'S FAIR
ALL'S FAIR
ALL'S FAIR
OLD HELL
OLD HELL
OLD HELL
OLD HELL
MEN WHO LEAD LABOR
MEN WHO LEAD LABOR
MEN WHO LEAD LABOR
RED FEATHER
RED FEATHER
RED FEATHER
RED FEATHER

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The middle of September has this in its favor—it is but two weeks to October, the most glorious month of all in the so-called Temperate Zone. A time when those tacky white shoes may be tossed into the trashcan; when a man can wear a vest and again look respectable; when a nip in the air discourages a nap in the chair.

Loquacious Lottie, who turns on her mouth, goes away and leaves it running, thinks the title of that book was: "How to Wind Friends."

Kensil Bell thinks "Ghost Writer" would also be a good name for the Robotyper, Remington-Rand's automatic typewriter.

W. J. W., to whom a recent Hotel Shelton ad in SM was addressed, sends in a limerick. I have altered the opening line slightly:

A cute little trick from St. Paul
Wore a "newspaper dress" to a ball.
The dress caught on fire
And burned her entire
Front page, sporting-section and all.

The only trouble with taking an early vacation is that you're ready for another before the end of Summer.

"Two Judges Lose Philadelphia Seat."—Headline. It isn't the seat, it's the humility.

Slogan for the new Lincoln-Zephyr: "Gives Wings to Wheels."

If you want to prove that there ain't no good in men, and if you also can take strong reading, you might try "Sister of the Road—the Autobiography of Box-car Bertha." It takes all kinds of people to make a world, they say.

A "going concern" is okay if it knows *where* it is going.

"No first-rate staff can be built and sustained unless its chief is the equal of any two of his underlings in imaginative insight—in the grasp of a feature. Nor can it be done unless he extends a comradely hand to those who work intensely at his bidding, and is

ready to listen to an idea with a twinkle of appreciation instead of a bored scowl," said the late Henry Justin Smith. He was speaking of newspaper-editors, but the paragraph applies with equal force to copy-chiefs.

"We made a record in May—we broke it in June," says a mailing-piece sent to schools and colleges by the Chicago *Evening American*. Actual pieces of a broken phonograph-record are glued to the card and a drawing shows a man with a maul, "breaking the record." A previous promotional piece was the phonograph-record itself, intact. It must have been a bust. (Just joshing, Mr. Gould.)

"Join the Navy and . . ." win the Old Gold contest.

Walter Weir wonders when some distiller will slogan his brand as "America's Swig-heart." I get a gurgle out of that.

"A pessimist frets his time away worrying about the customers he lost, while an optimist keeps busy concentrating on the new business he is working to get," says Skim Anderson in *The Milk Salesman*. All in favor please say "aye."

And Ralph Bennett, of the Geare-Marston agency, offers a name for a deodorant: "Bodyguard." Approved without change.

Won't a lot of zealots be surprised to get to Heaven and find the place undenominational!

No, Wilberforce; I don't think we had better refer to *Readers Digest* as a "clip-joint."

Radie Harris, in *Variety*, refers to Gypsy Rose Lee, the stripper, as "See-more Seemore." A number-one nifty.

I went to see Jean Harlow's last picture, *Saratoga*, and looked most carefully (as I always did when Jean was around), but failed to see any gaps or substitutions in the sequence. What was all that talk about an un-

finished picture and a stand-in for the platinum blonde?

An advertiser with a sense-of-humor turns up and he deserves to remain anonymous. An extract from his letter: "We say it lasts a lifetime. That means it lasts at least ten years."

Suggested name for a new, improved, bell-in-base hand telephone set, whose ring you are more apt to hear, since the bell-box isn't hidden away in some closet and further muffled by the skirt of an overcoat: "Uniphone."

Steve Meader reports a sign on a Philadelphia warehouse: "You'll discover a new Stern."

Question No. 3 in a quiz on pipe-tobaccos read: "Why do you prefer that brand?" to which one chap answered: "Wife likes the aroma & doesn't bite the tongue."

It will be a great day for copy-writers when agencies are permitted to write for their clients the way they write for themselves—without restraint, without pulling their punches, without the scarifying effect of the blue pencil. A few advertisers want the best that can be produced. Some others seem to be afraid. Still others don't quite recognize superb copy when they see it. Ah, the pity of it!

And then there was the woman tourist who shopped the Cuban capital trying to buy a Havana wrapper.

The higher education, via the so-called comic strips: "But Ah hain't got nuthin' agin yo'. Ah sho' is glad it warn't yo' Ah shot!"

Jim Grady has been wrestling with a slogan for that canine comfort-station mentioned here recently. "Steer your curs straight here" is his fourth try, but he isn't satisfied. I can understand that.

Faced with an unexpected removal from a long-occupied site, a Scottish lapidary advertised bargains in tombstones. I haven't seen the copy, but can imagine something like this: "You've got to die *some* time. Buy that headstone now and save money. McTavish & McTavish, 'Just a Stone's Throw from Here.'"

"Listerine tooth-paste is powder in the form of dental cream." That's covering all the bases.

T. HARRY THOMPSON.

SALES MANAGEMENT

The Directory Sells More Goods than the Dictionary

IT ISN'T how many words you know, but how many people.

You can do a big volume with a very small vocabulary.

But no vocabulary can do any volume without CIRCULATION.

And if the premise is right, then the conclusion is right.

The more circulation you buy the better off you are.

The Metropolitan circulation

is 7,000,000 to 9,000,000*...

In the Twenty-State Northeastern area of the United States . . .

Where 60% of America lives and buys 67% of America's retail goods.

Its circulation is unique in NUMBERS.

Its coverage is unique in INTENSITY.

Its appeal is unique in SIMPLICITY.

We do not even ask you to put the Metropolitan Group on the list.

We simply ask you, in the name of CIRCULATION, to let Nature take its course.

** with additional or alternate papers*

Metropolitan

Baltimore SUN • Boston GLOBE • Buffalo TIMES • Cleveland PLAIN DEALER
Chicago TRIBUNE • Detroit NEWS • New York NEWS • Pittsburgh PRESS
Philadelphia INQUIRER • St. Louis GLOBE-DEMOCRAT • Washington STAR

Gravure
Comics
Color

Metropolitan
Sunday
Newspapers, Inc.
New York • Chicago

weekly

Additional or alternate papers

Boston HERALD • Buffalo COURIER-EXPRESS
Chicago TIMES • Detroit FREE PRESS • New York
HERALD TRIBUNE • St. Louis POST-DISPATCH
Washington POST

THE LARGEST CIRCULATION IN THE WORLD - FROM 7 TO 9 MILLION FAMILIES*

26 Answers to the Query: "Am I Breaking the R.-Patman Act?"

These selected cases from the docket of the Federal Trade Commission show clearly what types of practices have been questioned thus far, explain the Commission's interpretation of them, and report their disposal.

AT the request of Congressman Wright Patman, co-author of the Robinson-Patman Act, the Federal Trade Commission, under W. A. Ayres, chairman, summarized 64 cases which have come before the Commission and which had been disposed of.

SALES MANAGEMENT editors secured a copy of this report and have picked from the 64 cases some two dozen which are illustrative of the major complaints so far registered under the Robinson-Patman Act. Business men and their lawyers who have gone to Washington to confer with the Federal Trade Commission regarding an understanding of the Act as it affects their businesses have found the FTC staff fully cooperative in spirit, but nevertheless unable in most cases to answer hypothetical questions regarding enforcement and interpretation of the Act.

Therefore, about the only reliable guide which marketing executives have to possible interpretation of cases which may come up within their business is a careful reading of the FTC decisions on similar actual cases.

Stock vs. Drop Shipments

Section involved: 2(a)—Price discrimination.
Commodity: Cigarettes.

Facts: A wholesaler was charged with selling popular brands of cigarettes at discriminatory prices in that a few preferred customers paid one cent per carton less than other customers. The investigational file indicates that the wholesaler complained against did sell out of stock at a price one cent per carton higher than the price for drop shipments. A similar practice was followed by several competing wholesalers, some of whom sold drop shipments at even lower prices than the wholesaler charged. The inquiry did not show the existence of any unjustified discriminations among customers and did develop the fact that competitors were selling at comparable and lower prices. Hence the file was closed.

[30]

Quantity Differentials

Section involved: 2(a)—Price discrimination.
Commodity: Candy (chocolate bars).

Facts: Prior to January 1, 1937, the party charged sold at prices ranging from 64 cents to 54 cents per carton, but as of January 1, 1937, it abandoned said schedule of differing prices, and since that time has maintained a price of 65 cents, less 10% advertising allowance, to all customers, except that one and one-quarter cents per carton is allowed on carload shipments. Carload extra discount amounts to \$50 on an \$8,000 purchase. The carload price differential apparently can be justified in the particular circumstances on the basis of the lower cost of selling and shipping in carload lots. However, there were no car lot sales during the entire year of 1936. Hence the file was closed.

Display Allowances

Section involved: 2(a)—Price discrimination.
Commodity: Sanitary napkins.

Facts: Discrimination in discounts between customers who bought direct and customers who bought through factors was alleged. During the Commission's investigation the manufacturer adopted new selling plans.

Direct purchasers were allowed a 10% display allowance, a 5% trade discount, and a 1% cash discount. The minimum direct shipment was 100 pounds. Wholesale factors received from the company 14½%, 3%, and 1% discount. Purchasers from factors pay the same price as direct purchasers, receive the 10% display allowance direct from the company, and get a cash discount, generally 2% from the factor. Denial of the trade discount is explicable by the costs of indirect selling to small accounts. The evidence does not establish injury to competition by the difference of about three-fourths of a cent in the retailer's buying price which results from this difference in discount. Hence the file was closed.

Meeting Competition

Section involved: 2(a)—Price discrimination.
Commodity: Bread.

Facts: Party charged with selling two loaves of bread for price of one in local competitive areas in two states and not doing so in other areas. The evidence shows that practice complained of was begun to meet competitive practices of other bakers and was discontinued when such practices stopped. Hence, the file was closed.

Premiums

Section involved: 2(a)—Price discrimination.
Commodity: Bread.

Facts: For a period of eight days in June, 1936, a baker engaged in the practice of giving two cup cakes free with every purchase of a loaf of bread in local communities in two states but did not follow this practice in other portions of its sales territory.

Reasons for closing: The baker engaged in the above practice in order to meet competition, and discontinued it while some other competitors were still giving premiums.

Advertising Rates

Section involved: 2(a)—Price discrimination.
Commodity: Advertising rates in trade journals.

Facts: Publishers were charged with quoting proportionally higher rates for less than a full page of advertising space than for a full page. The Act condemns price discriminations "between different purchasers of commodities." The evidence disclosed no resultant injury by reason of the rate differentials.

The file was closed because the sale of advertising space in the circumstances in this case does not involve the sale of a "commodity" within the meaning of the Act.

City to City Differentials

Section involved: 2(a)—Price discrimination.
Commodity: Beet sugar.

Facts: A refiner was charged with selling beet sugar to retailers in one city at \$5.08 and in another city 65 miles distant for \$5.03. It claimed competitive conditions in the latter city account for the small differential, and no evidence to the contrary was obtainable. As between customers in each of the cities named there was no price discrimination. For these reasons, and because of an apparent lack of interstate commerce, the file was closed.

Price Differentials

Section involved: 2(a)—Price discrimination.
Commodity: Hardware (auger bits).

Facts: Mail order firm was charged with selling bits to consumers at 10 cents each, a price declared to be unreasonably low and fixed with the purpose and intent of eliminating a manufacturer of bits who sells to retail competitors of the mail order firm; and with buying such bits at a discriminatory price. Competition between the mail order firm and retail customers of complainant was responsible for the price-cutting. The evidence negates the idea that the 10-cent price was fixed by the mail order firm with the purpose and intent of eliminating competition. A revision of the price schedules of the manufacturer from whom the mail order house purchases its first quality bits has been made, so that no differential not based on lower costs of handling and shipping is presently offered. Hence the file was closed.

Quantity Differentials

Section involved: 2(a)—Price discrimination.
Commodity: Confections (chocolate bars).

Facts: Quantity discounts complained of were applied to aggregate net purchases made during a period of six months. They were on a graduated scale, ranging from 1% on purchases of \$2,500 to 5% on purchases of \$37,500 and over. Evidence disclosed that these discounts were effective for a period of only 10 days. Subsequently, all customers paid the same base price less a promotional discount of 5%, which was given to all, and a quantity discount of 2% on carload or truckload purchases.

The file was closed because the 2% differential to carload or truckload buyers is justified by the difference in cost of selling, handling, and shipping carload and less-than-carload shipments.

Sales to Government

Section involved: 2(a)—Price discrimination.
Commodity: Roofing materials.

Facts: It was charged that a manufacturer sold certain roofing materials pursuant to an invitation for bids issued by the United States Treasury Department at a price 10% below the price at which any manufacturer would sell the same grade of materials to the complaining dealer.

This matter was closed because the Attorney General of the United States has held that the Act is not applicable to contracts with agencies of the Federal Government for supplies.

Cash and Carry Sales

Section involved: 2(a)—Price discrimination.
Commodity: Groceries.

Facts: Retail grocers complained that three manufacturers had induced jobbers in the same state to put into effect two price lists, one for cash-and-carry and the other for delivered merchandise and that retailers who could not use cash-and-carry service were thereby handicapped.

The investigation disclosed that two of the manufacturers, after a formal survey of jobber opinion, did prepare the jobber resale price lists. Since the transactions were local and did not involve interstate commerce, the file was closed.

Quantity Differentials

Section involved: 2(a)—Price discrimination.
Commodity: Medicine (laxative).

Facts: A manufacturer who has sold to all customers at the same price regardless of trade status or quantities, revised its sales policy, establishing functional and quantity discounts.

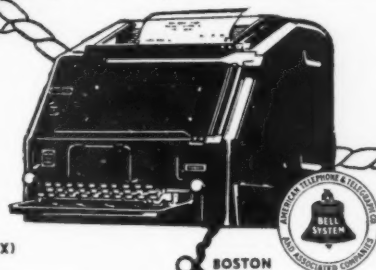
SALES MANAGEMENT

STEAMSHIP COMPANY CO-ORDINATES CARGOES ON LAND AND SEA BY **TELETYPEWRITER**

With widely separated units — ports on the Gulf and in the Caribbean, branches throughout the mid-west and eastern United States — Lykes Brothers Steamship Company faced a real co-ordination problem. Bell System Teletypewriter Service helped solve it simply and profitably.

Now all operations are charted at headquarters in Houston, Texas. With the speed of typing-by-wire, branches have up-to-the-minute information on rates and space available on ships. Handling of cargoes is minimized. Branches secure bids on small space shipments at low cost, and keep customers posted on prices and delivery.

A Lykes official says of Teletypewriter Service that its accuracy, alone, saves time and dollars for the company. Your business, like Lykes, may use it profitably. Call a Bell System representative and talk it over. No charge.



- Private Line Teletypewriter Service
- ✕ Teletypewriter Exchange Service (TWX)
- ✕ TWX and Private Line Services
- Other Branch Offices



Under the new plan, wholesalers who purchased quantities of \$100 or more received a discount 2½% greater than those who purchased in quantities of less than \$100, and quantity discounts were based upon individual orders. The commodity was subject to deterioration through long storage. Customers who had formerly purchased relatively small amounts were not permitted to purchase in quantities of \$100 or more in order to take advantage of the higher discount because the manufacturer felt that such quantities were more than those customers could sell before the products were injured by deterioration. It was felt that the sale of deteriorated merchandise to the public would seriously injure the business of the manufacturer.

Investigation disclosed that the discount terms and quantity limits were applied uniformly to all wholesale customers. Cost data submitted indicated that the quantity differential was justifiable on the basis of differences in the cost of selling and delivering. The manufacturer also granted discounts to retail customers on a graduated schedule based on quantities. Similar justification and uniform application of these discounts was shown.

The file was closed because the discount differentials did not result in injury to competition and apparently were justified by differences in cost; and because the manufacturer's refusal to sell in larger quantities than a customer could dispose of before the merchandise deteriorated was a reasonable measure for the protection of the public and of its business and good will.

Display Services

Section involved: 2(a)—Price discrimination.

Commodity: Drugs, tooth paste, shaving cream, etc.

Facts: In September, 1936, a large chain drug store organization submitted to approximately 20 manufacturers a contract providing, among other things, that the chain store company would advertise the manufacturer's products in show cases, on counters, and in store windows of its various branches, and in consideration of this service the manufacturer would make monthly payments to the chain store company, the amount of such payments to be based upon the volume of sales in the store rendering the service. The contract also provided that the agreement would in no wise be connected with purchases made by the chain store company from the manufacturer, and that any payment made would be considered fair and reasonable for the services rendered. It further provided that such payment would not constitute a discount, rebate, or allowance of any kind.

None of the contracts was signed by the companies to which they were submitted. Hence the file was closed.

Listing Sheets

Section involved: 2(a)—Price discrimination.

Commodity: Drugs, tooth paste, shaving cream, etc.

Facts: A large chain store organization is engaged in soliciting small amounts of money from manufacturers and others from whom purchases are made for illustrating the sellers' products on the chain store's listing sheets which it furnishes to each of its store managers. These listings contain the name and address of the seller, a description of his merchandise, prices, etc. If the seller agrees to "share" the expense of listing his merchandise, illustrations of his goods are shown on the listing sheets and he is billed for the approximate actual cost of the illustrations, usually a nominal amount averaging about \$3. If he refuses, his products are included in the listing sheets but without any illustrations.

The use of listing sheets by the chain store company enables the seller to furnish a price list only to the head office of the chain store company instead of to each of the company's individual stores, thereby resulting in a substantial saving to the seller.

Reasons for closing: The policy of requesting sellers to share the cost of listing their goods does not result in price discrimination. Contributions made by sellers who participate constitute payments for services or facilities rendered by the chain store organization.

Dealer Profit-Sharing Plan

Section involved: 2(a)—Price discrimination.

Commodity: Medicine.

Facts: Since 1912 a manufacturing druggist has used a profit-sharing plan which is open to all retail druggists in good standing. Under this plan all retail druggists who wish to participate become stockholding customers of the above manufacturer through buying \$30 worth of the manufacturer's products and signing an agreement which specifies that they will push these products and will sell the same only at retail over their counters. Violation of the agreement automatically forfeits all buying privileges thereunder. On

the initial order and on all subsequent orders the stockholding customer receives a 40% discount from list prices, whereas nonparticipating wholesalers receive 10% plus a 5% cash discount and nonparticipating retailers receive only 6% off the list prices and 4% additional for cash payment in 10 days.

Except during the depression years, stockholding customers have received an additional benefit in the form of an 8% dividend on their stock. Prior to the Robinson-Patman Act these dividends

were paid in merchandise instead of cash and were not subject to the 40% discount from list prices. The complainant, a stockholding customer, complains that the failure to compute the value of merchandise received as dividends at 40% off the list prices in effect reduces such dividends by as much as 50%. The 1936 dividend, however, was paid in cash.

In sales of nearly \$60,000 a month, about \$100 worth was sold to retailers who were non-

(Continued on page 69)

Gone are the days when Pepsodent products were slashed to the limit to lure buyers . . . and the good will of merchants has been regained.



President Licks Price-Cutting Problem Thru Fair Trade Acts

When this manufacturer decided to get really tough with the cut-price artists, he scored one of the most important victories yet recorded under the new price maintenance laws.

WHAT has been described as the greatest success in flogging price-cutters out of camp in the history of business is the achievement of the Pepsodent Co. of Chicago. Two years ago Pepsodent was on the spot. It manufactures three nationally advertised, widely known products—a tooth paste, a tooth powder and an antiseptic. Price-cutters had kicked it about so much that nobody could make any money out of handling its products.

Druggists' associations, city, state and national, had it on the coals in conferences and conventions. In their manner of reasoning they held the Pepsodent Co., somehow, to blame. Pepsodent was the unwilling target of their rebukes.

During the week ending May 25, 1936, no fewer than 314 stores in the United States advertised Pepsodent products at cut-rate prices. During the week ending August 21, 1937, only three stores offended. *And that is the reason for this story.*

Pepsodent, through a clipping bureau, has every advertisement of any kind in any town big enough to support a drug store and a newspaper,

clipped and mailed to its Chicago headquarters weekly. The record of how the fight was won, trench by trench, is indicated by the following:

1936 Period	Number of Price Cuts
Week of	
May 25.....	314*
June 22.....	93
July 30.....	77
August 24.....	64
September 28.....	64
October 26.....	76
November 23.....	53
December 11.....	55
1937 Period	
January 25.....	48
February 22.....	36
March 22.....	32
April 19.....	31
May 24.....	29
June 28.....	7
July 28.....	3
August 21.....	3

*This is the week the campaign started.

When Pepsodent decided to make war on the situation which was hurting its business and making its products a football, it went out of its organization and employed a young man named Charles Luckman. He came out of the Palmolive group and was made sales manager and later vice-

SALES MANAGEMENT



WHEN SHE BAKES, SHE BAKES FOR 230,000 FARM FAMILIES

LOLA Clark Pearson's many tasty recipes are daily treats on thousands of Southwestern farm tables! Her expert advice is a watchword in the kitchens. But the culinary arts by no means limit the scope of her activities. Mrs. Pearson, Home Department editor of *The Farmer-Stockman*, assumes an active leadership in every phase of home-making.

She is nationally known in women's club circles. Among her many activities, she was Parliamentarian, Tulsa Council, General Federation of Women's Clubs; vice-president, National League of American Pen Women; and one of the few Oklahoma women listed in *Who's Who*. Mrs. Pearson has taken an active part in organizing local farm women's clubs. She also has been selected as one of the two best informed women on rural life in the Southwest.

Mrs. Pearson has surrounded herself with an enthusiastic following of Southwestern farm women. Through her club work and writings, she has shown them the way to a richer, fuller life . . . a life comparable in its comforts and conveniences to that enjoyed in the city.

Naturally, her department in *The Farmer-Stockman* is read and re-read twice each month in more than 230,000 Southwestern farm homes. Much of this reader interest reflects in the purchase of products advertised in *The Farmer-Stockman*. Command your share of the sales to Southwestern farm women. Tell them about your products through the paper they prefer . . . *The Farmer-Stockman*.

With the highest cash value wheat crop since 1929 harvested, and harvesting of the best cotton crop since 1933 under way, Southwestern farm women have money to spend. For the next six months they'll offer a responsive market for all kinds of modern conveniences, household appliances, clothing, furniture, luxuries, etc.

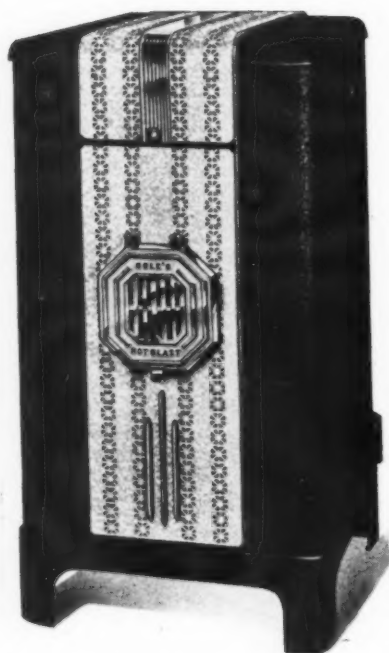
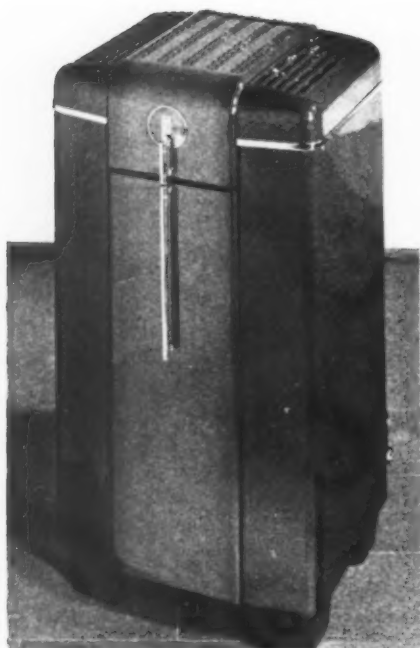
The FARMER-STOCKMAN
OKLAHOMA CITY

NATIONAL REPRESENTATIVE E. KATZ SPECIAL ADVERTISING AGENCY

THE OKLAHOMA PUBLISHING COMPANY

THE DAILY OKLAHOMAN
OKLAHOMA CITY TIMES

RADIO STATION WKY
MISTLETOE EXPRESS



Handsome Is As Handsome Does: That might be Cole Hot Blast Mfg. Co.'s opinion of its redesigned stove, for its obviously improved appearance has been directly reflected in doubled sales. The Chicago firm commissioned Barnes and Reinecke, industrial designers of the same city, to rejuvenate its product. Porcelain enamel—smooth, glossy, dust-free, elimination of useless ornament, and flowing lines did the trick. Distributors are clamoring for shipment, and advance orders are in excess of the present supply, although it was announced only two months ago, and the price is higher than for the old model, shown at the right.

president in charge of sales. Everybody in the trade had contended that such a job as he has done was impossible. But he did it.

Fortunately, circumstances were shaping themselves at the time to help him. Down in Washington, due to the depression debacle, opinion in favor of fair trade dealings was starting to develop. As a result of this, states were beginning to pass "Fair Trade" acts. When Mr. Luckman swang into action such acts were effective in six states. They were New York, New Jersey, Pennsylvania, California, Washington and Oregon.

Since then identical acts have been passed in enough other states to bring the total to 42 and, more recently, the Miller-Tydings Act, giving manufacturers the right to fix prices in all states having no law to the contrary, has been passed.

Pepsodent began with the six states. Pioneering, it had to feel its way. The legal problem, due primarily to the absence of interpretations by the courts of this new type of law, was great. Corporate subsidiaries of the company were formed in New York and California, which in turn were "domesticated," i.e., licensed to do business in other states which had such statutes.

Of course, there were some drawbacks, such as those involving an added burden of state taxation, but the

results were held worth the cost. An exasperating circumstance arose from the difficulties of maintaining minimum prices on merchandise bought in one state and sold at cut prices in another after transportation across state lines by the buyer, thereby apparently permitting the buyer to defy the provisions of the Fair Trade acts. In other words, Pepsodent found that while it had the legal right to control the price of products purchased by the retailer in the state, the price-cutters could presumably step out of the state, buy, and do as they pleased after bringing the merchandise into the state.

Out-slicking a slicker has always been a problem, but Pepsodent found a way to hog-tie him. It resorted to the Del Credere plan of wholesale distribution. In a nutshell, this is a system of retaining title to merchandise held by exclusive wholesale selling agents called "Factors," who sell and collect, and upon sale remit to the manufacturer.

When Pepsodent adopted the Factor plan it was selling its merchandise to 937 wholesalers throughout the United States. Many of these were grocer wholesalers. Out of the entire group it picked 300 *bona fide* drug houses. Every grocer wholesaler was eliminated, and so its products were taken out of the grocery trade. This was a costly step in point of volume,

especially in the South. It meant that 637 wholesale outlets were lopped off with one swing of the axe.

The company then went to its remaining 300 wholesale outlets and gave each a check—paid cash—for all Pepsodent products held in their warehouses. Immediately, contracts were signed with each, which, because Pepsodent held title to the goods, permitted the company complete and absolute control of its products until they were sold to the retailer.

The next move was to send a list to all retailers and chains suggesting a minimum retail price for each product. This list advised the retailers and chains at what minimum prices to advertise the goods or price-mark them for display. When cut-price advertising was scotched the cut-price expert found his teeth pulled. And that's where the clipping bureau service came in. Every time an advertiser offended, whether he had a store on Broadway or in Gopher Prairie, he was quickly informed about the company's merchandising policies.

If the dealer continued destructive advertising after a reasonable number of warnings, a notice was sent to all Factors advising them that they were not to supply that retailer with Pepsodent products. The company likewise refused to sell direct, the account was closed, and neither the company nor the Factors ever again sold Pepsodent products to the account.

Some of the largest accounts were lopped off. They remained lopped off. The company took the attitude of "we mean business."

Jeers Change to Cheers

What has been the effect on Pepsodent business?

Well, a company that had come to suffer general ill will from the trade, an ill will forced upon it and not earned, now has the good will of all of its dealers.

Its volume, before it took the step, had suffered. When it lopped off 637 wholesale outlets at one swoop its volume nose-dived, but now all that has changed. During the last two or three months, in Midsummer, its volume has hit an all-time peak. It's the biggest in the company's history. Dealer good will, in conjunction with outstanding advertising, are doing the job.

During the week of August 21 only three price cuts occurred; these were located in Detroit, Richmond and Superior, Wis. These, widely scattered, were the only three "sore spots" among 60,000 outlets. The clean-up job has been well done.

SALES MANAGEMENT

The FARMER'S WIFE is No Lady..



.. IT'S THE MAGAZINE ... Read and Preferred by America's Rural Women

★ *The simple reason why this one magazine is the favorite of rural women lies in the fact that the Farmer's Wife is the only magazine edited for rural women exclusively . . .*

In the Farmer's Wife Magazine you'll find little about soil control . . . plenty about better baking. You'll find nothing about cattle care . . . a lot about child

rearing. City women's activities command little space . . . but see the columns devoted to home nursing and rural health hints. Articles on cosmetics and home treatments aid rural women with their beauty problems.

Farm families are 20% larger—accidents more frequent. Drug stores are far away—therefore, the rural medicine chest assumes dispensary proportions. No corner beauty parlor makes it necessary for rural women to keep an

adequate supply of powder, cold cream, lipstick and hand lotion.

For over forty years rural women have learned to look for authentic information regarding their health and beauty problems in the Farmer's Wife Magazine. Over 1,100,000 read it from cover to cover every month. More of them prefer it than any other magazine or farm paper printed. It knows what they want and gives it to them!

This vast, almost hand-picked rural market offers a tremendous sales potential, which warrants investigation! For you miss rural women if you don't use the Farmer's Wife Magazine!



THE ONLY MAGAZINE EDITED FOR RURAL WOMEN EXCLUSIVELY
1,100,000 NET PAID

How Critical Are Men of Women Who Smoke and Drink?

The Market Research Corporation of America, in their 53rd survey made exclusively for Sales Management, measures male smoking and drinking habits and prejudices in the same cities in which women were interviewed a fortnight ago.

WOMEN who smoke on the streets are more likely to shock other women than to shock men, but men are less tolerant about women drinking at bars. These are two outstanding highspots from the 53rd survey made for SALES MANAGEMENT under the direction of Percival White and Pauline Arnold. In Cleveland, Seattle, Asheville and New York City, 250 men and 250 women were interviewed on shopping section streets. The reactions of the women to smoking and drinking were reported in SALES MANAGEMENT September 1.

Regular male smokers exceeded regular women smokers by a ratio of $2\frac{1}{2}$ to 1, but the difference was far less marked in drinking. Sixty per cent of the women drank hard liquor and 76% of the men. Only in Asheville, N. C., legally dry for hard liquor, except in package stores, did the investigators find a majority of non-drinking males and even there the ratio was 46% who drank to 54% who did not.

The interview among women showed that only 18% felt that it was all right for women to smoke on the street, but when men were asked the same question, 28% were willing to accord the women the same privileges which they themselves exercised.

According to this sample of the adult male population, tobacco companies have a present market among 80% of the males: 69% smoke regularly, 11% occasionally and 20% never or almost never. Ninety-five per cent of the smokers smoke on the streets, but less than a third of them are willing to accord the same privilege to women. This minority held that women had just as much right as men or that it had become an established custom.

At least 70% reacted unfavorably to women smoking on the streets and gave these reasons:

Not feminine, unattractive	28%
Coarse, unrefined, ill-bred	23
Attracts too much attention and comment	17
Encourages excessive smoking	4
Poor example for children	3
Not yet acceptable custom	11
No explanation—just prejudiced	14

Drinking Habits and Reactions

Three out of every four of the men interviewed drank liquor and only 17% of the drinkers made it a policy not to drink at bars.

They were, however, slightly less tolerant than women on the subject of

women drinking at bars. It was acceptable to 48% of the male drinkers, to 56% of the women drinkers, to 13% of the male non-drinkers, to 19% of the women who do not drink. Males are, however, considerably more tolerant of women drinking at bars than of women smoking on the streets. Quite a number hedged their acceptance with the following conditions: "If with escort"; "if in nice place and company"; "if woman is temperate and ladylike"; and "if the drinking is done in large cities."

A few practical males thought that it was better for women to drink at bars than in restaurants because there was a saving of money through elimination of a cover charge, while others added that they were more likely to get good liquor at the bars. Reasons advanced for looking with disfavor on women drinking at bars:

Not feminine, unattractive	22%
Coarse, unrefined, ill-bred	17

(Continued on page 97)

Drinking vs. Smoking Among Men and Women

Table I

Survey made among 500 men and women in Cleveland, Seattle, Asheville and New York City.

	Do You Smoke?		Do You Drink?	
	Women	Men	Women	Men
	%	%	%	%
Smoke regularly	26	69	60	76
Smoke occasionally	23	11	40	24
Smoke never or almost never	51	20		

Attitude Toward Women Smoking in Street

Table II

	Acceptable		Unfavorable		Don't Know		Total	
	No.	%	No.	%	No.	%	No.	%
Smoke regularly	52	30	120	70	..	..	172	100
Smoke occasionally	9	32	19	68	..	..	28	100
Smoke never or almost never	9	18	41	82	..	..	50	100
Total	70	28	180	72	..	..	250	100

Attitude Toward Women Drinking at Bars

Table III

	Acceptable		Unfavorable		Don't Know		Total	
	No.	%	No.	%	No.	%	No.	%
Drinkers	92	48	93	49	5	3	190	100
Non-Drinkers	8	13	51	85	1	2	60	100
Total	100	40	144	58	6	2	250	100

Aim at the BULLS EYE



Farm Market (not at the "fringe")

The battle is on for the mid-west farmers' dollars.

Approximately 1/3 of the entire nation's '37 farm income is concentrated in just 8 midwest states — with the farm products price index the highest since '29, and the season's farm income the largest in 8 years.

This year, of all years, is the time to aim your farm advertising **STRAIGHT AT THE BULLS-EYE.**

And best ammunition is the big-

volume coverage of the Midwest Farm Papers—the **ONLY** farm papers that go exclusively to this Bullseye Farm Market.

Midwest Farm Papers give you 77% actual coverage of all farms in these 8 key states. The strongest "national" farm paper gives you only 36% farm coverage in these states—and **ALL FIVE** "nationals" combined offer only 64%.

It is easy to see that "Focused" Advertising in the Midwest Farm Papers gives you a coverage which no other farm medium even closely approaches in this big "Bullseye Farm Market" of 1937.



"Focused" Advertising in

THE MIDWEST FARM PAPERS

PRAIRIE FARMER NEBRASKA FARMER
WISCONSIN AGRICULTURIST AND FARMER



THE FARMER, ST. PAUL
WALLACE'S FARMER & IOWA HOMESTEAD

CHICAGO—6 No. Michigan Ave.

NEW YORK—250 Park Ave., 420 Lexington Ave.

SAN FRANCISCO—1548 Russ Bldg. DETROIT—542 New Center Bldg.

Give the Women What They Want—Not What You Like, Says Electromaster

Too many companies are relying on the judgment of the firm's officers and their wives in designing products for the home. If, however, you really want an earful about what will sell, go down Main Street and interview some average housewives. Your own notions will get bumped around, but you'll learn a lot.

BY D. G. BAIRD

WALTER C. AYERS sat in a dealer's salesroom one day and watched prospects looking over electric ranges. Most of them would look at each of the five or six makes on the floor, then turn back for a second look at one or two. And much to Mr. Ayers' chagrin, the product which he represented was seldom favored with such a second look.

That wasn't the first time he was reminded that prospects have ideas of their own. He had been with Electromaster for several years and had received numerous surprises from consulting owners and prospects on design and such matters. But this was a kind of climactic experience.

Returning to Detroit headquarters, he conferred with President R. B. Marshall.* Then the two put on their hats and went downtown, where they spent many hours just in studying stoves of all types and observing reactions of prospects. Next they got out an extensive questionnaire. Then they employed a professional designer. And now Ayers is quite definitely of the opinion that the one most important factor in selling is product design.

He also has other ideas on the subject. "Owners and prospects are the only ones qualified to make decisions," he said. "It is dangerous to follow one's own ideas or the ideas of one's own family.

"For example, we were of the opinion that we should put skirts on our ranges. But to play safe, we called in the wives of company executives. They are users, of course, and we thought



Vita-Miser: One example of the company's astute catering to feminine needs is this range Model 100. It has Vita-Misers, built-in aluminum kettles for boiling, frying, stewing or whatever. Heating units are concealed and protected. In the picture a complete meal is cooking, but no pots or pans show on top. Other features include a swinging lamp illuminating the range top; a light inside the oven; an electric time clock; storage space "never before available;" "as simple to clean as a china dish."

their opinion would be authoritative. They were unanimously in favor of skirts, so we proceeded with plans to put skirts on our ranges. Then we became cautious. You see, we had already had experience with housewives. So we made a survey in ten cities, ranging in size from Joplin to New York. Then we omitted skirts from our ranges!

"Perhaps we're too close to the picture. We live electric ranges. Our wives are in much the same position. As a result, we probably get advanced ideas on the subject. We get ahead of the consumer. It may be that in a year or two, customers will demand skirts on their ranges. But in the meantime, and all the time, we must

provide what they want. It may be some satisfaction to realize that the public eventually adopts one's advanced ideas, but that doesn't sell goods at present."

Electromaster is a good example of the relative merits of design vs. utility. Originally developed in 1929 for the express purpose of providing an efficient electric range at a moderate price, the product had little else to recommend it. In appearance it was ungainly. It was not until 1932 that housewives were given an opportunity to express their opinion on any feature of its design. At that time, 1,000 housewives in five cities were shown one picture of a high-top model and another of a table-top model and asked their preference. As a result, the table-top design was adopted exclusively.

A woman was, and is, frequently employed to shop department stores

and let the range salesmen "give her the works."

Then from time to time, Electromaster would, and does, make a survey of a given city to secure opinions of users. This always takes the form of a questionnaire, in which users are asked how they like their electric range, what they like best about it, whether they like the current design, how its cooking compares with that of the previous method, whether they recommend it to friends, and so on. Results of such surveys are tabulated and compiled in a formal presentation for the local dealer, his salesmen, and Electromaster salesmen.

Dramatizing results by means of colored pie-charts and other illustrations

* See Spotlight section for photo of Mr. Marshall and brief sketch of his career.

1937's INDUSTRIAL QUESTION

MARK —

PEOPLE
— NOT MACHINES

ADVERTISING IN
MILL & FACTORY
IS *Guaranteed*
THESE PLUSES:

CIRCULATION: By personal
copy to Industry's known
buying authorities.

ATTENTION: Because Mill &
Factory's lead articles take
readers *inside* the book.

REDUCED COMPETITION:
News make-up prevents
"bunching" of advertise-
ments.

REPRODUCTION: Careful re-
production on high grade
coated stock.

New equipment — efficient machine operation are as interesting as ever to industrial executives . . . but striding across Industrial 1937 are *people* who demand attention — and get it!

Strikers! Agitators! Arbitrators! PEOPLE! And Mill & Factory is presenting these people and their problems in a planned program of lead articles so thorough, so factual, so vigorous that *America's newspapers are quoting a trade journal!* February: "We Sat Down with the Strikers and General Motors." March: "A Strike That Has Cost America Fifty Million Dollars!" April: "Find Us A Sweatshop!" May: "Civil War In Hersheytown." June: "Industrial Reformers At Work." July: "Who Owns the Coal?" August: "W.P.A. Cash Backs C.I.O." — articles that combat propaganda with truth, and take plant superintendents, and top executives *inside* every issue of Mill & Factory.

Thus Mill & Factory adds the punch of News Editing to an already long list of publication advantages planned to get your advertising to people who buy.

MILL & FACTORY

A Conover-Mast Publication

Advertising Offices: NEW YORK — 205 E. 42nd Street; CHICAGO — 333 N. Michigan Avenue

Personal Copy CIRCULATION TO THE *Known* INDUSTRIAL BUYING FACTORS

SEPTEMBER 15, 1937

[39]

makes of this an effective sales tool.

Numerous changes, most of them minor ones, of course, have been made as results of such surveys.

The most extensive, and important, survey, however, was made in 1935, when the company distributed upwards of 20,000 questionnaires to utility executives, their salesmen, home economists, and housewives. This questionnaire was prepared in the form of a 24-page booklet in which almost every conceivable question was asked. Most questions were illustrated by sketches, and squares were provided for checking preferences. The double page in the center was headed, "What Are Your 'Pet Peeves'?" Around the margins were listed about 40 suggested "peeves," while the center space was ruled for respondents' convenience in listing others.

Nearly 75% of those who replied expressed a preference for the table-top model, so this model only is made available. About 84% wanted a "thrifty, or economy cooker," so they got it. In the matter of porcelain enamel, nearly 77% preferred the enamel over the entire range. Sixty-six per cent thought the color should be white only, and another 6% said

the matter wasn't important, so all Electromasters are white only. More than 77% wanted three-heat switches in the surface units.

These answers to the questionnaires were classified and studied. Then Wilbur Henry Adams was employed to design the new models. Results were highly gratifying.

This year Electromaster has gone a step further. It produces electric ranges exclusively, but owners must use utensils on their ranges. So Electromaster became interested in utensils. The management secured results of several surveys made by utensil manufacturers, determined just what utensils housewives use most in cooking, and proceeded to equip their product with such utensils, "built-in."

The new models will be equipped with one 5-quart kettle, two 2½-quart kettles, and one frying kettle, all to sit down in "wells" so that their lids are flush with the surface. It will also have as standard equipment, in response to housewives' requests, an electric clock, a swing lamp on top, and a light in the oven. Its lines are simple, as few handles and gadgets as possible protrude—a thing of beauty that can easily be kept so. The

kitchen, which formerly was a sweatshop, has become the housewife's pride.

Mr. Ayers made one other important point: "In the past, it was customary for the production department to design the product and it was up to the sales department to sell what it got. Now the two work very closely together. It is the sales department that is in close touch with the public and knows what the public wants. The engineering department is responsible for efficiency, new mechanical developments, economy, durability, etc., and the production department must produce at low cost, but when it comes to this matter of design certainly the sales department should have an important voice.

Custom Built As and If

"In our case, we get whatever we want within reason. If we don't sell it, that is our own fault. We plan our sales for the year and break this schedule down into quarters. Then on the 15th of each month, we furnish the production department our schedule for the following month.

"Major changes are made only when new models are designed, of course. But minor changes may be requested at any time, and if they don't cost so much as to affect the selling price, they are usually granted. Naturally, we use discretion. Most of such changes are requested on a 'when, as, and if' basis. If they don't cost too much, they are requested to be made when existing stock has been used up—in other words, when we find it most convenient and least expensive.

"For example, we had a 750-watt unit under the well cooker. Then we learned that a majority would like to have 1,200 watts under the well cooker. We just passed this suggestion along to the production department, with that 'when, as, and if' proviso, and in due time the change was made, at practically no extra cost.

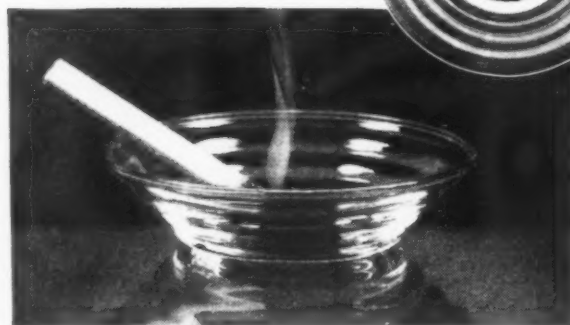
"Engineering and production methods have become so efficient that they are no longer a problem. It is easy to produce a quality product, at low cost. But it is not so easy to sell it. The public takes quality, efficiency, and competitive price for granted and concentrates chiefly on appearance. So we conclude that the one most important factor—after making sure, of course, that the product is 'right'—is product design. Final judgment of that factor rests with the public. Thus we believe in consulting the public first."

Give them both barrels..

... with this unique, serviceable ash tray that can be used as an appealing premium, an effective advertising novelty, or BOTH.

There is nothing quite like it on the market. Made from smooth, brilliant glass that is easy to clean, its ingenious patented design prevents cigarettes from falling out and burning unsightly holes in carpets and table cloths. . . Cigarettes left in this tray slide gradually to the bottom as they burn.

Surprisingly low in price, yet graceful and smart in appearance, this unusual tray is a definite sales-stimulator for any product. . . Your crest or message applied on the



bottom stands out, unaffected by time or use, as a perpetual reminder of your product.

... Write the nearest Libbey office for samples and complete details, or a representative will gladly call.

LIBBEY

Libbey Glass Company . . . Toledo, Ohio • Chrysler Bldg., New York • LaSalle-Wacker Bldg., Chicago • Whitney Bank Bldg., New Orleans • 2 Leader Lane, Toronto

Give Your Business the **NORTH JERSEY** Market



Over 140,000 families in this choicest part of metropolitan New York have our product in their homes every day. Do they have your product?

They have ours because no other newspaper gives them such thorough news coverage for Newark and the thickly populated North Jersey counties, plus complete state, national and international reports.

They will buy your product, too, if you have us carry your advertising into this compact, accessible and wealthy market.

Newark Evening News

"Always Reaches Home"

**NEWARK
NEW JERSEY**

O'MARA & ORMSBEE, INC., General Advertising Representatives
New York Chicago Detroit Boston San Francisco Los Angeles Atlanta

SEPTEMBER 15, 1937

[41]



Compared with a new idea, a rare Ming vase is a veritable Rock of Gibraltar. The rough treatment an idea receives in being passed down through a selling organization doesn't do it any good.

The JAM HANDY Organization
is set up to help you fix this

Complete Sales Promotion Service

Motion Pictures • Talking Pictures • Slidefilms • Conventions • Playlets

DETROIT, 2900 E. Grand Blvd. Madison 2450 CHICAGO, 35 E. Wacker Drive State 6758
 NEW YORK, 230 Park Ave. Murray Hill 2-5290
 HOLLYWOOD, 7046 Hollywood Blvd. Hemetead 5809

Spotlight

PEOPLE IN THE SALES PANORAMA



You could call Gardner Cowles, Jr., a "Corn State Colossus." As a publisher he's big. As a man he's simple as his nickname, Mike. And just as direct and forceful. At 22 he was city editor of the *Des Moines Register*. Since 1931, has been executive editor of the *Des Moines Register and Tribune* and vice-president of the company. In the picture above Mike sits coatless at the left; brother John, publishing partner, at the right.

Today, Mike Cowles, 34, is president of the Iowa Broadcasting System, one of the publishers of the *Minneapolis Star*, editor and publisher of *Look*, the sensational picture magazine that jumped to more than a million circulation on its second issue.

A soft-voiced go-getter, Mike Cowles is really a super-salesman. He envisions an idea, plans it in detail, and sells it to everybody. That's how he entered radio when most newspapers left it alone. That's how he started the continuity technique in newspaper rotogravure that helped boost the *Sunday Register* past 300,000 and multiplied the customers who now buy the Register Syndicate's full roto pages instead of single pictures. His picture handling led him to start *Look*.

Aviation was Mike's big hobby when he had the time. He introduced squash racquets to Des Moines; became one of the town's best players.

LOOK'S MIKE

RANGER

One of the younger executives of the electrical industry, R. B. Marshall has helped put the electric range within reach of the average family. It was invented in 1910, but was still considered a luxury in 1930, when Detroit Edison Co. did something about the matter. Edison had a good range to sell at a moderate price, and young Marshall, then an Edison engineer, participated in its development. The job done, an independent company, Electromaster, Inc., was formed to manufacture and distribute the new range, and Marshall, only 30, was elected vice-president and general manager. He has been president since January, 1934.

The average price of electric ranges has since been reduced nearly one-half. But housewives couldn't believe electric cookery was within their reach. So Marshall adopted the daring plan of installing a range in the prospect's own home on a trial-rental basis to let her sell herself. Electromaster sales have since increased 600 percent. This is partly because Marshall lets thousands of women help design Electromasters. (See page 38.)

For relaxation, Marshall frequently slips away to his Guernsey cattle farm. With more time to spare, he roughs it in the pine woods of northern Michigan or fishes in the Gulf. He is married, has two children, lives in Detroit.





Could a man sell \$1,000,000 worth of life insurance a year in and around Cowley, Wyo., a town of 800? Grant Taggart has done it five times since 1925. He is one of only 49 men among the 250,000 insurance salesmen in the United States who hold life membership in the Million Dollar Round Table. There are now 150 million-dollar salesmen. This year he is chairman—a distinguished honor for a man of 41.

This man Taggart, born in Utah and raised in the Big Horn Basin of Wyoming, has been an amazing salesman of insurance since he was 18. He started selling at odd hours while he was at Brigham Young University, Provo, Utah, and wrote contracts totaling \$100,000 his first year. Afterward he became a full-time salesman for California-Western States Life Insurance Co. and has stuck with that one company through these 23 years, writing about \$15,000,000 of insurance . . . and all in a Wyoming area inhabited by about 12,000 people where he has no brokerage benefits. His clients are mostly farmers and oil field men; his policies have averaged \$3,912 during the past five years.

Grant Taggart, disarming in his simple, sincere friendliness, rolls up his huge volume because he believes so intensely in insurance, sells it with nearly every breath, continuously follows an organized plan, and makes a real friend of every client by just being himself.

**WYOMING
STAR**



RAILROADER

Horatio Alger would have liked L. R. Powell, Jr., and might have found in the co-receiver of the Seaboard Air Line Railway the prototype of one of his boy heroes. Mainly self educated, Mr. Powell joined the Seaboard when a young man, learned accountancy, caught the keen eye of the great railroad builder, President S. Davies Warfield, and came up fast. On the death of Mr. Warfield, he became president; and, in 1930, co-receiver.

A terrific worker, on the road from morning to night, riding motorcars with the workmen, easily approachable, keen, far-sighted, clever, with a winning smile . . . Mr. Powell "gets along." His salesmanship and drive helped, in 1936 alone, to bring 124 industries of a permanent nature to the cities and towns served by the S.A.L. in Florida, Alabama, Georgia, North Carolina, South Carolina and Virginia. Partly due to Powell-selling, the total operating revenues for 1936 were \$38,346,000 compared with \$33,930,000 for 1935, an increase of 13%. Gross income for 1936 after deductions for taxes under the Railroad Retirement Act and Title IX of the Social Security Act, amounted to \$3,277,000, compared with \$1,826,000 for 1935, an increase of \$1,451,000. He doesn't care for golf but is an expert horseman and keeps fit by long canters with Mrs. Powell on the bridle-paths near his home in Norfolk, Va.





AD-VIKING

Maybe October, 1929 . . . fateful Fall . . . was a bad time to float a new advertising agency; but Henry Eckhardt and Otis A. Kenyon took over the Ray D. Lillibridge agency and did it. Then came the cataclysm! But the big, brown Eckhardt hand is steady; the big, friendly Eckhardt nature doesn't ruffle. Kenyon & Eckhardt rode out the storm with stable clients, taught millions to smoke Spuds—didn't scream a single silly cigarette claim—and otherwise established an agency reputation for doing things with stalwart, Viking Eckhardt intelligence.

As head of his agency, Henry Eckhardt—in the business since 1918 when he started eight years of copy writing for Federal before becoming vice-president of Lillibridge—looks around him today and tells you there is more careful foundation laid under advertising now than ever before. Good advertisers and agencies spend big money on research . . . accurate person-to-person research . . . before they spend big money on a bright idea. But he also tells you that the bright idea has to be in there, that it must be made into ads that sing.

This 43-year-old new chairman of the board of the American Association of Advertising Agencies is a Cleveland by birth, son of a minister. He crammed through a short course at Columbia afternoons and evenings, worked as a *New York Evening Post* reporter, then began as a copy writer the advertising career that has carried him high—without fanfare.

QUESTIONER

Henry G. Weaver made the revolutionary discovery that the best way to find out what customers want is to ask them. As Director of Customer Research for General Motors, Weaver asks about two million customers—and prospects—a long list of questions every year. And he asks them in such an intriguing way that motorists seem delighted to tell him all about their likes and dislikes. Then he tabulates, classifies, and analyzes their replies and reports his findings to the sales and other departments.

Weaver has been doing this sort of thing since 1918, when he went out to ask farm tractor owners about Hyatt roller bearings. Transferred to "GM" when it absorbed Hyatt, in 1921, he gradually perfected "customer research." During each of the past several years, he has conducted the largest poll in America, save the *Literary Digest* poll alone.

Brought up in the village of Eatonton, Ga., Weaver absorbed a lot of "darky" philosophy and humor and acquired an accent which he still retains. After graduating from Georgia Tech he ran a garage, joined the old Haynes Automobile Co., managed an automobile agency, set up his own automobile business and failed, then went to Hyatt. In "GM", having found his groove, he won the Harvard award for advertising research in 1925 and has built up his special skill as a right-hand to the sales department ever since.





SPIZZER

A Kentucky governor made T. Russ Hill a Colonel. His natural leadership of men made him a whizz of a sales director for years and last Fall brought him into the presidency of Rexair, Inc. Today he is expanding this year-old corporation to cover the continent with door-to-door men selling a new-type electric cleaner and air conditioning unit for homes.

He talked and wrote his way into selling. With a college degree at 19 he taught school a while, then became a Chautauqua lecturer and wrote inspirational syndicated editorials until he "got too busy" selling groceries at wholesale. Finally he struck his sales stride with the Air-Way Electric Appliance Co., advancing to vice-president.

In his first five months as head of Rexair last year he established ten factory branches, hired, trained and started 1,000 salesmen . . . expects to fix 200 sales centers in the United States and ten in Canada within the next year and then invade foreign markets. It is said Rexair has sold up to its factory capacity from the start; earned a net profit every month; that 30% of sales are for cash; that down payments average \$40 on a \$79.50 unit.

Hill keeps in constant touch with his salesmen, traveling 100,000 miles a year always by air (he flew in the World War). His favorite word is "spizz," short for "spizzerinktum" . . . the force that carries salesmen to success. It's the title of his house organ and the tag on his sales talks.



MERIT MAN

Long ago, as a mere stripling, W. A. Sheaffer saved his father's jewelry business in little Bloomfield, Iowa, by underselling the mail order houses on a few standard items in order to get people into the store to sell them better merchandise. He showed clerks how to make people want higher quality . . . paid them bonuses to make such sales. Thus was born the Merit System which has helped the W. A. Sheaffer Pen Co., of Fort Madison, Iowa, attain in recent years the biggest dollar volume of any pen maker.

That early mail order competition might be said to have *made* the powerful Sheaffer Pen Co. of today. In Bloomfield, where "every home had two mail order catalogs and one Bible," the jewelry store was slowly going bankrupt because 70 percent of its volume was on five items offered by mail houses at less than the store paid for them. But the budding Merit System—and a lot of personal selling among the farmers by young Sheaffer who went out and husked corn with his prospects—boosted the store's jewelry and piano volume from \$11,000 a year to \$40,000.

Flushed with this hard-won success, Sheaffer became a fountain pen manufacturer. For years his organization has been showing stores how to increase sales 50, 100, even 150 percent. Says he: "If the sales people of this country sold everybody as good an article as he is able to buy, the dollar volume of American business would rise materially" and, he thinks, unemployment would sink.

"TO THE EDITOR—BUSINESS WEEK:
Please send 32,627 Reprints!"

BUT DON'T TAKE OUR WORD FOR IT—

Just as gratifying is the fact that Business Week readers do something about what they read in Business Week — and a magazine that gets action from its readers is just as important to advertisers as a salesman who gets action from his customers.

Letters from manufacturers whose products have been described in Business Week's "NEW PRODUCTS" columns furnish voluntary proof of the statement that Business Week gets action—offers unbiased evidence of the quality of Business Week's circulation. Here are excerpts from some of the letters received in recent months. (The original letters are in our files, available for your inspection.)

"We had over 100 replies from some of the largest and most representative companies in the United States... resulting in a satisfactory volume of sales. (Other) magazines also mentioned our products but none of them produced the results that you obtained for us in Business Week."

"As a result of this notice inquiries were received from all over the United States and Canada. The number and quality were very gratifying."

"The response was mainly from executives in high positions, such as presidents, vice-presidents, engineers, etc. Some of these (inquiries) we hope will develop into actual sales."

"Beginning with the day following your publication date, and continuing every day since, we have had inquiries from top executives of many of the best known companies in this country and Canada."

"We are literally astounded at the number, quality and geographical sources of the inquiries we have received as a result of the small item in Business Week. Every reply has been from an executive or business house of standing."

"It has brought inquiries from leading executives of large corporations throughout the United States. Ordinarily inquiries we receive are from Purchasing personnel, but inquiries coming from Business Week are from top-notch executives."

"One company in Canada has stated that they wish to represent us in that country and also in England."

"As a result of that article we have received inquiries from executives from all over the United States, Canada and England. We have sold quite a number... and at present have negotiated options for royalty manufacturing rights for Canada and Europe with substantial organizations."

"We had a deluge of inquiries as a result of the article."

"We have received about 75 letters and telegrams with regard to our product. What impressed us more than anything else was the high type of client your magazine caters to."*

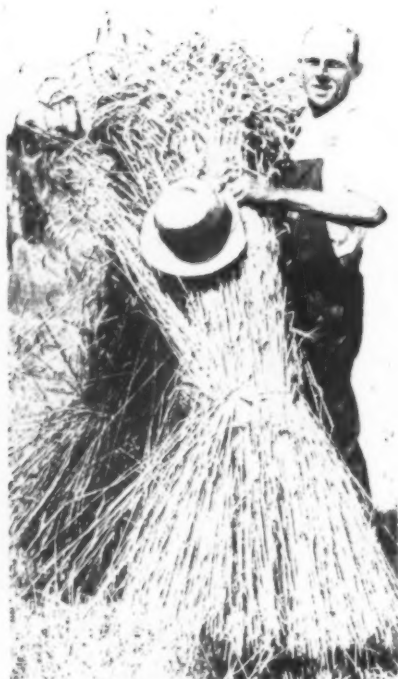
** 24 of these inquiries came from Business Week subscribers; 24 came from executives in companies reached by Business Week; 22 came from men whose contacts with Business Week could not be traced—proving again the value of Business Week's pass-along circulation. (An average of 3.7 readers per copy—a weekly audience of more than 350,000.)*

BUSINESS
THE EXECUTIVE'S BUSINESS PAPER
ALERT... ACCURATE... AUTHORITATIVE



WEEK
330 W. 42nd STREET
NEW YORK, N. Y.

REACHES MORE EXECUTIVES
PER ADVERTISING DOLLAR
THAN ANY OTHER MAGAZINE



36,500,000,000 PENNIES FROM HEAVEN

● The little tin flags on Wisconsin R. F. D. boxes will be flipped up often within the next sixty days. Checks for an estimated \$365,000,000 will soon be mailed to Wisconsin farmers—in payment for the best crop and livestock yields in five years. ● Quite a tidy sum—\$365,000,000! Even in a land where money talks, farm income averaging a million dollars a day is considerably more than a whisper! Certainly, it's loud enough to attract the attention of anyone who has goods to sell that a farmer might buy! ● Manufacturers should shape their advertising program now to divert these record crop payments *their* way. The concentrated rural coverage of The Milwaukee Journal assures sharing in this new wealth. ● "Home town" newspaper to hundreds of thriving Wisconsin cities, The Sunday Journal, for example, is read by 50% of

all families in 70 of the largest retail centers . . . covers 25% to 100% of all families in 525 towns and villages. ● In addition, Journal representatives travel 1,747,200 miles a year on "Green Box" routes—to make *daily* direct deliveries to the rich rural region lying within a 50-mile area of Milwaukee! ● Only the moon and the mail

get into more Wisconsin farm homes than The Journal. And if you're at all concerned about cost per contact, you'll vote in favor of The Journal! Ask for copy of "Going Home"—comprehensive coverage survey containing latest facts and figures. *Just off the press!*

THE MILWAUKEE JOURNAL

FIRST BY MERIT

National Representatives: O'MARA & ORMSBEE, Inc.
New York Chicago Detroit Boston Atlanta San Francisco Los Angeles

How Drug Jobbers Feel About the Private Brand Situation

How are the R-P Act and the Fair Trade acts affecting distribution in the drug field? Opinions of executives of drug wholesale houses in Detroit are presented in this article, the third of a group of three on the same subject.

(So many readers were interested in the report published in the June 1 and 15 issues on the opinions of grocery jobbers about the first year's working of the R-P Act that the editors decided to repeat the study among drug jobbers. This is the third and last of the reports from the drug field. Part I reported interviews in New York, Kansas City and Chicago. Part II covered San Francisco and New Orleans.—THE EDITORS.

WHOLESALE druggists of Detroit are unanimous in reporting that they have observed no tangible benefit, either to themselves or to independent retailers, as a result of the passage of the Robinson-Patman Act.

One important qualification of this statement must be made, however. The manager of the Detroit outlet of a big manufacturer-wholesaler, who insisted that he be not quoted, said he thought the results had been very good. Asked in what respects they had been good, though, he said he didn't know. Asked specifically whether the Act had been helpful to his company, he said he thought it had. But again he didn't know in what respects it had been helpful. Asked whether he could cite any specific advantages to retailers, he said he had been too busy to look into that.

Sees Benefit in Fair Trade Act

Further questioning led to the conclusion that this manager thinks the principle of the Act is good and merely assumes that it has worked out in practice. He said his company's sales have increased by more than 20% during the first half of 1937, as compared with the corresponding period of 1936, and perhaps he attributes this, in part, to the working of the Act. At any rate, it was the largest increase reported by any Detroit wholesale druggist.

His sales of Pepsodent and other products of manufacturers who have adopted the "Del Credere Plan" have

gone "way up," so he thinks well of that plan—of which more later. He is also very optimistic over prospects of a "Fair Trade Bill" recently passed by the Michigan State Legislature, which will permit manufacturers to control resale prices without resorting to such tactics as the plan referred to. This legislation is purely permissive, of course, and wholesalers generally are of the opinion that it will have little effect unless supported by local associations. Much may also depend, they think, on the attitude of the manufacturers, some of whom are suspected of being in favor of cutting prices on their products.

Applauds Del Credere Plan

And in this connection, some other wholesalers have rather pronounced opinions of the policies of the manufacturer-wholesaler referred to above. They said this manufacturer worked for passage of the Robinson-Patman Act and even brought Patman to Michigan to speak on the subject. Why, they can't imagine, for they accuse this manufacturer of engaging in practices far less fair, as they see it, than some others against which there is a great hue and cry. Specifically, they mention two points: They question whether a manufacturer should become so important a factor in wholesaling, and they charge—off the record, of course—that this manufacturer pays retailers a bonus for pushing his products, or that, in some way, the retailer is enabled to pay his clerks "PM's" on this manufacturer's products. This, they claim, results in flagrant switching of customers by high-pressure clerks in certain stores which feature this manufacturer's line.

Much was heard about the Del Credere Plan, which has been adopted by a dozen or more manufacturers catering to the drug trade. This is essentially a consignment proposition, whereby the manufacturer is enabled to control the resale price, because he

retains ownership of the merchandise and can decline to sell. Under this plan, it is said, these manufacturers discontinued all direct sales except to department stores and big chain systems. Goods to be distributed to independent retailers are placed on consignment with designated wholesalers who are notified whom not to sell.

Bootlegging Still a Problem

As a specific example, Pepsodent tooth paste formerly was marked 50 cents and was sold by cut-raters at prices all the way down to a low of 27 cents. The established resale price has now been reduced to 40 cents, but a sop has been thrown to the cut-raters by making it permissible to sell Pepsodent as low as 33 cents. If any sell for less, the manufacturer promptly notifies his "factors" not to let the offender have any more of the manufacturer's merchandise.

But it seems that the cut-raters frequently manage to get the merchandise, nevertheless—and sometimes they take delight in "murdering" it. One wholesaler related several such examples. A case of Kotex bearing his company's imprint was found in a certain "black-listed" cut-rater's warehouse, and he was questioned. He denied ever having sold this retailer any Kotex and, anyway, there was only one case bearing his company's imprint. He didn't know where the retailer got that. While the informal investigation was under way, more than 100 cases of Kotex were seen being delivered to this cut-rater's warehouse at one time! Investigation revealed that the goods had come from Philadelphia, and that was all that could be learned. It is hardly necessary to add that the cut-rater was featuring Kotex as a loss leader and selling "unknown" brands.

Nevertheless, wholesalers' sales of such consignment goods have shown a considerable increase, due probably to the fact that the manufacturers have turned over to them considerable business which they formerly sold direct.

The Frank W. Kerr Co. is probably the second largest wholesale druggist in Detroit, but it is not typical, because it specializes in professional products and chemicals, rather than

**MCCALL'S ANNOUNCES
A FULL BOOK-LENGTH NOVEL
IN EVERY ISSUE,
BEGINNING WITH DECEMBER**

**NEWS AND
FICTION**

HOMEMAKING

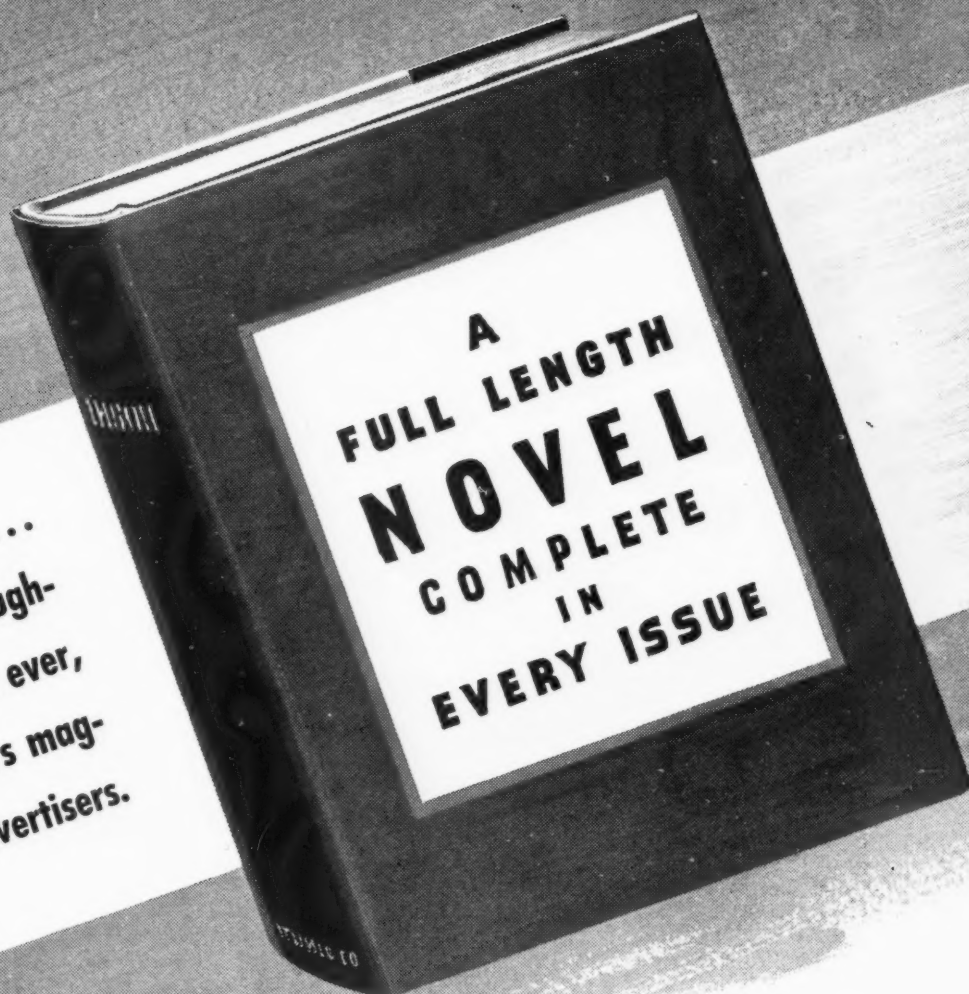
**STYLE &
BEAUTY**

**McCall Corporation
Pioneered the
BOOK-LENGTH NOVEL
in Magazines**

The McCall Corporation's REDBOOK was the first magazine of its kind to include a full book-length novel. McCall now takes another important forward step by adding this big feature to McCall's Magazine. McCall readers now receive, for 10 cents, even more value, and advertisers receive even greater visibility.



McCall's...three magazines in one...
adds a fourth great feature through-
out each issue. Now, more than ever,
the biggest buy of any women's mag-
azine for readers and for advertisers.



HERE'S the biggest plus-value in the
women's field since McCall's introduced
"three magazines in one"!

Beginning with December McCall's,
a full book-length novel of more than
40,000 words will appear complete in each
issue. McCall's pioneered the three-way
magazine to give improved service to read-
ers and greater visibility to advertisers. Now
this new *full-sized* novel, running through
all three sections, gives greater sales power
to advertising from cover to cover.

This makes McCall's more than ever the
biggest ten cents' worth of any women's

magazine. Readers get more entertainment
for their money. Advertisers share their
increased interest. McCall's will live longer,
have more readers per copy than ever!

And remember: McCall's has the greatest
news-stand sale of any women's magazine,
by a wide margin... proof of closer interest
in editorial content... interest that carries
over into the advertising pages.

The first issue of McCall's with the full
book-length novel is dated December, 1937.
Guaranteed average net paid circulation
2,600,000. McCall Corporation, 230 Park
Avenue, New York.

McCALL'S MAGAZINE
THE GREATEST NEWS-STAND SALE
OF ANY WOMEN'S MAGAZINE

in nationally advertised specialties and sundries. It is not surprising, therefore, that Donald Melville, president, favors the Robinson-Patman Act, the Michigan Fair Trade Bill, and everything else of the kind. In other words, he is much against cut-raters.

He is unable to see any effect of the Robinson-Patman Act, however, and he doesn't expect any until its constitutionality has been tested. He doesn't carry either Pepsodent or Colgate products. He does carry one or two other items under the Del Credere Plan and, while he does considerable business in them, he finds the accounting involved quite expensive and bothersome. Sales are about 10%

ahead of last year, he said. He recognizes the fact that controlling resale prices likely will lead to an increased sale of private brands, but he is charitable enough to believe that the public is grateful for the splendid radio programs given free by some national advertisers and that they will continue to "demand the genuine by name."

President Carbell, of the National Wholesale Drug Co., hasn't detected any effects of the Robinson-Patman Act. He has heard some talk of it, but he doesn't see where it has affected either his business or that of independent retailers. His company's total sales are about the same as last

year, due, he said, to labor troubles, which have curtailed sales of sundries and specialties. Sales of Pepsodent and other consignment goods have increased; Colgate has shown a decrease, but he didn't know why. National carries only a few packaged staples under its own label, but he notices a considerable trend toward private label goods. He is of the opinion that this trend will be accelerated by the Fair Trade Bill and similar plans to control resale prices of nationally advertised products.

Fear Big Cut-Raters

The Mutual Drug Co. is a kind of cooperative buying syndicate which sponsors the "Ure Druggist" sign but also sells to all retailers it can, including many of the Rexall stores. It distributes "everything," including upwards of 200 items under its own "Silver Line" label. A. L. Gaboriault, Detroit manager, hasn't observed any effect of the Act in question. He could not think of any improvement that might be made in it; in fact, he isn't greatly interested in legal efforts to control business. He thinks retailers wanted the Fair Trade Bill, but he doesn't know how it is going to work in practice.

He sees a definite trend toward private label goods and he expects this to become more pronounced. His own private label line has stood up better than his total business, which has been "about so-so," due to the labor troubles. His sales of consignment goods, in common with other wholesalers, have increased considerably. He does only a "fill-in" business in Colgate products, because that manufacturer sells most retailers direct, he said.

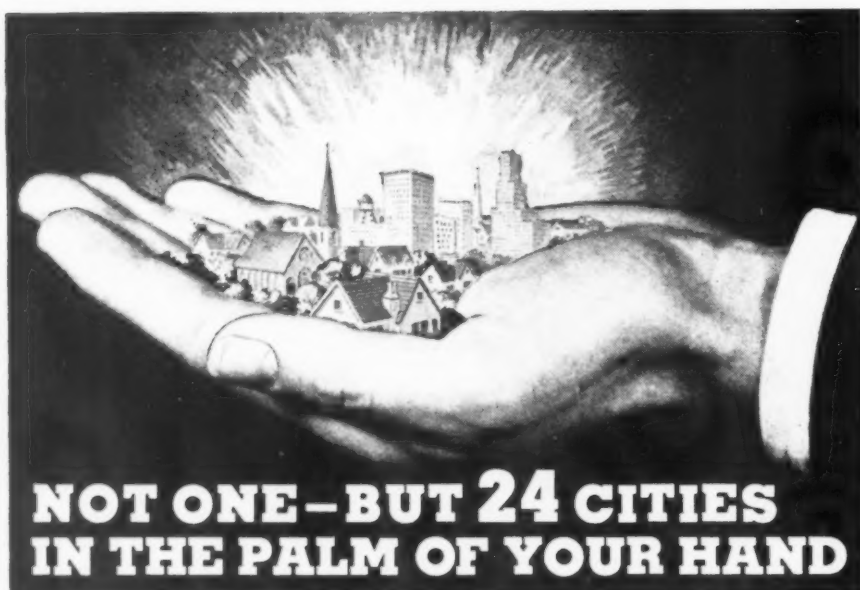
To recapitulate, the SM reporter got these impressions from his survey of the Detroit wholesale drug field: No benefits of the Robinson-Patman Act have been observed by anyone. There is little interest in the subject. Wholesalers and independent retailers favor the Michigan Fair Trade Bill, but they are none too optimistic over it. All agree that sales of private-label goods are on the increase, and all expect such sales to continue to increase; they doubt whether it will be possible to control the big cut-rate stores in any way yet devised.

Nettleton to Calco

E. T. Nettleton, formerly advertising manager of Holland-America Steamship Line, and for the past several years with the Charles W. Hoyt Co., New York ad agency, has been appointed advertising manager of Calco Chemical Co., a division of American Cyanamid Co., located at Bound Brook, N. J.

SALES MANAGEMENT

YOU CAN'T AFFORD TO MISS THE NASHVILLE MARKET!



THAT is what you receive when you advertise in The Tennessean Newspapers. Dominant coverage, not only in Nashville and Davidson County, but in EVERY ONE of the remaining Middle Tennessee towns of over 2,000 population in a radius of 75 miles.

This area contains 863,125 people, constitutes a major market for any advertiser's goods. It is an active

market, a market that has shown a 47% spending increase since 1933.

And the only way to reach all of this market at once is through the pages of the market's favorite newspapers.

CIRCULATION
123,611*
ALMOST TWICE THAT OF ANY
OTHER MIDDLE TENNESSEE
NEWSPAPER
*** 6 Months' Average—March 31, 1937**
ABC Publishers' Report

Tennessean Newspapers Inc.

SILLIMAN EVANS,
President and Publisher

THE NASHVILLE TENNESSEAN
FOUNDED 1812

The Evening Tennessean
FOUNDED 1918

Represented Nationally by The Branham Company



74% of Iowa's 6,689 Grocers read
The Des Moines Sunday Register

They know their customers read this newspaper also . . . that upon half the goods on their shelves is an invisible tag: "To be bought by a reader of The Des Moines Sunday Register." Here indeed is dealer and customer influence in a rich market* . . . at lowest milline rates in Iowa (\$1.76) through the 312,540 circulation of one newspaper.

*Iowans spent over 126 million dollars in 1935 for groceries—
(Dept. of Com.)

Iowa
The Des Moines Register and Tribune

"—But We Haven't Anything to Sell But a Service!"

Many a company faces the same basic marketing problem as the big hotel whose sales and advertising methods are described here. See how the Palmer House wins and holds its customers with modern creative selling and advertising.

FEW persons realize to what extent scientific, organized sales methods figure in the successful operation of a large hotel. Generally speaking the public looks upon a hotel as a place where men and women may enter at their convenience, register, remain a day or a few days, and then travel on.

It is seldom realized that any great hotel has a sales organization toiling constantly, with fixed program, to retain old business and to bring in new. It's a day-by-day job of persistent selling. A representative of SM was taken behind the scenes of the Palmer House, Chicago, second largest hotel in the United States. It is one of the few large hotels to come through the depression years untouched by the blight of financial reorganization. Its mechanical set-up, its planning and its sales methods are recognized as in the forefront among hotels.

The "Guest History" Plan

The Palmer House ranks almost alone among hotels in that it always pays cash for advertising, or any other service, never giving due-bills or swapping rooms, or anything it purveys, for any of its needs. One radio campaign, featuring star performers, cost \$115,000. It spent more than \$100,000 last year for direct mail promotion. Fourteen people, including assistant managers, are steadily engaged in local efforts and traveling for business promotion. Out of every dollar taken in, 8.3 cents are set aside for sales development.

Test campaigns are run. Graphs and charts are maintained to show the results of each. Costs are checked against room sales, restaurant and liquor sales, etc., and accomplishments analyzed. As a result of all this, from the standpoint of returns based on dollar expenditures, four methods of attaining new business, and holding old, are rated in order of effectiveness as follows:

1. Guest history.

2. Newspaper, magazine and trade paper advertising.
3. Direct mail.
4. Radio.

Its guest history work was instituted by Edward T. Lawless, general manager, almost as soon as he came into his job in 1934. The purpose is to maintain contacts with those who have been guests and to develop repeat business.

Every time a guest enters the Palmer House for the first time a card is made out for him and this goes into a permanent file. Every time he returns a new entry is made. The number of the room he occupies on each visit is recorded, its price and, by code, certain other facts of value.

The Palmer House now has more than 200,000 of these cards. They are kept "alive" by periodic mailings. If a letter comes back undelivered the card is eliminated. This is how the system works:

A few days after a first-time guest returns home he receives what is known as the "First Stay Letter." Signed by Mr. Lawless, it thanks him for his patronage, expresses the hope that accommodations and service were satisfactory, and suggests that a credit card will be helpful to him on future visits. An application blank for the credit card is enclosed.

After that a series of mailings follow, six letters having been prepared for use according to circumstances. These are classified as follows:

Letter No. 1—To be sent to a "first time" guest at the end of a year if he has not returned in the meantime.

Letter No. 2—To a former guest who

has a credit card but who has not returned within one year.

Letter No. 3—To persons who have returned during the year but do not hold a credit card.

Letter No. 4—To persons who have returned and who hold a credit card.

Letter No. 5—To persons who have returned more than five times during the year. (This letter is written on Mr. Lawless' personal stationery.)

Letter No. 6—To persons who have stopped only once, but who have not returned within 24 months.

The above system was put into effect on April 1, 1934, and more than 500,000 letters are mailed each year. Just what effect they have, of course, is difficult to measure, but a recent check-up seems to point to results because—

Fifty-seven per cent of the hotel's business last month was "repeat." That is an all-time high.

Reaching New Prospects

Another series of three letters goes out at intervals to a carefully selected list of persons who have not been guests of the Palmer House. These three are institutional in nature. Reasons why the Palmer House should be used are given. The following, second in the series, is typical:

"A few days ago I sent you a letter on a subject that is vital to everyone who travels . . . the hotel habit.

"I invited you to join that great legion of successful personalities who have profited financially and enjoyed additional service and comfort by stopping at the Palmer House, where a new high standard of hotel living has been achieved. This legion comprises more than 50% of our patrons.

"I told you of our enviable location, which is actually in the center of everything downtown; a location which eliminates tiresome bus rides and expensive taxi fares to loop business, shopping and pleasure appointments.

"No one knowingly allows a habit to prevent him from 'buying the best for the price.' When you stop at the Palmer House you buy the utmost in service, the foremost in prestige of address, and a money-saving, time-saving, convenience-giving location.

"I am sure that, once a guest at the Palmer House, you will always make this hotel your home when in Chicago. I will be very happy to make your reservation."

One of the many direct mail pieces the Palmer House uses is a "stopper." When this is mailed to a person who has recently registered at the hotel the guest finds on the cover, in color, the picture of a hand holding a Palmer House room key. On the key is imprinted the number of the room the guest occupied. Below, also, his name.

Albert C. Fuller, director of advertising and publicity, who writes all the hotel's direct mail campaigns and copy for printed matter, pointed

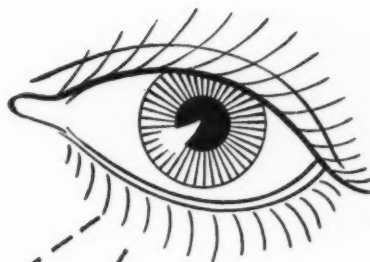
Edward T. Lawless
general manager,
the Palmer House



Town House Studios

They watch the **WORK** instead of the **KEYBOARD**

and look at the New Speed Figuring Records they're making



5182 ITEMS PER HOUR

Miss Lillian Dietzman, Underwood Sundstrand operator for a well-known fruit company, lists and adds at a rate of more than 86 items a minute. Note that she watches the work instead of the keyboard.



4368 ITEMS PER HOUR

Miss Roberta Taylor, Underwood Sundstrand operator for large mail order house, makes short work of the day's figuring. She watches the work instead of the keyboard.



4680 ITEMS PER HOUR

Miss Hazel A. Richardson, employed by a large New England retail establishment, gives a perfect example of Underwood Sundstrand Touch Figuring at high speed. She watches the work instead of the keyboard.

FORGING ahead rapidly and steadily on a sheer basis of demonstrated Performance . . .

Backing up advertised claims with repeated stop-watch tests that *prove* its speed, accuracy, durability and simplicity even to the satisfaction of the most skeptical . . .

Underwood Sundstrand continues to replace slow, complex, out-moded machines in all industries.

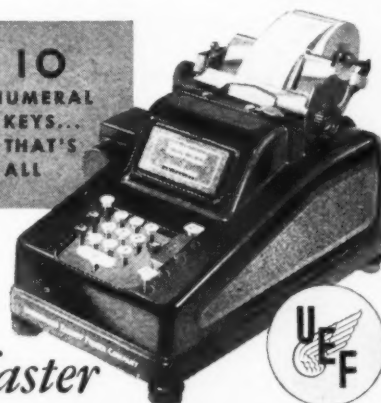
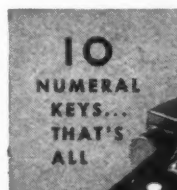
Underwood Sundstrand increases figuring production because of its condensed keyboard and its extreme ease of operation. There's not an unnecessary key on the keyboard.

Column selection is automatic. Touch Figuring develops *naturally* after just a few hours' practice.

We would like you to decide for yourself just how much faster the Underwood Sundstrand is on your own work, in your own

office, using your own operator. We believe you will find it to be 15% to 25% faster.

Why not get in touch with our nearest Branch office today? Every Underwood Sundstrand Machine is backed by nation-wide, company-owned service facilities.



Adding Machine Division
UNDERWOOD ELLIOTT FISHER COMPANY
Adding Machines, Typewriters, Accounting Machines, Carbon Paper, Ribbons and other Supplies
One Park Avenue, New York, N. Y.
Sales and Service Everywhere

Underwood Elliott Fisher Speeds the World's Business

**Underwood
Sundstrand**
ADDING-FIGURING MACHINES

Copyright, 1937,
Underwood Elliott Fisher Co.

15% to 25% faster

SEPTEMBER 15, 1937

[59]

out that merchandising a modern hotel is in swift evolution. To emphasize this he dug up some 50-year-old Palmer House literature. In those days the hotel advertised:

1. That it could not be destroyed by fire.
2. That it was the first hotel in the world and the first building in Chicago to have electric lights.
3. That it was the first hotel to have telephone service, room-to-desk.

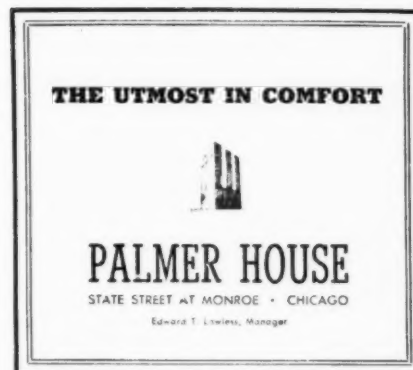
The rate was advertised as \$3.50 a day, American plan, which included breakfast, luncheon, "tea" and dinner. On the menu, at no additional cost, were such items as wild turkey, saddle of bear, reed birds, broiled quail,

prairie chicken, roast partridge, terrapin, spiced oysters and lobster!

The hotel dining room, in those days, was in effect a "loss leader." Money was lavished on it. The point was that the hotel that served the best meals got most room guests. Wines and liquors sold in the dining room were supposed, if possible, to rescue the food department from the "red."

Potter Palmer, the founder, was one of the keen showmen of his day and knew the value of publicity. After a hotel had burned in St. Louis, with a loss of 300 lives, he offered \$5,000 to anyone who could start a fire in one of his guest rooms that would spread beyond the room.

So that all the world wouldn't rush



Extreme simplicity marks Palmer House advertising. This is typical of a series now appearing in 12 newspapers and a number of selected magazines and trade papers.

in and try it, he made it a condition that if the effort failed the person who set the fire would have to pay the damage.

The Palmer House management, as a result of its research work and test campaigns, has come to a number of definite conclusions as to the comparative values of various advertising mediums. Here are some of them:

Newspapers: A good builder of new business. The man who sees a hotel advertisement in his home paper is likely to select that hotel before he leaves home. The same applies to magazine and trade papers.

Radio: Nation-wide network campaigns too scattered and too costly. Too big a portion of listeners are not prospects. Local stations excellent mediums for pulling in floor show and restaurant business.

Direct Mail: Profitable only when aimed at highly specialized lists. Effective when used to follow up previous guests.

Live Selling Comes High

Personal Contacts: Too costly except when employed to solicit conventions, special meetings or groups. The Palmer House, however, sends six special assistant managers on road trips twice annually. They make every type of personal solicitation from the prospect for a single room to a large convention.

Following a direct mail campaign aimed to obtain new guests from Illinois cities, the Palmer House succeeded in gaining only a 3% increase in registrations from that area. When it placed its advertising in newspapers in the same territory it gained 14%.

This year it will concentrate its efforts largely in newspapers. It will use newspapers in 42 cities, and a number of magazines including *Life*, *Time*, *Business Week* and *SALES MANAGEMENT*.

SALES MANAGEMENT

PACKARD PRESIDENT

Owens 41 Guns

-AND HE READS



ALVAN MACAULEY, head of the Packard Motor Car Company, confesses he doesn't dare count all his guns. But his wife says there are no less than 41. His whole family loves the outdoors, and each year they travel some 5,000 vacation miles. He reads *Sports Afield* to keep up with skeet news, hunting tales and fish stories.

Spends \$300 in 8 Days!

Although Mr. Macauley can find time for only about 8 days of hunting in his busy year, he finds no trouble in spending \$300 on this sport. When he goes after salmon in the Grand Cascapedia, his fishing bill hits \$250. And skeet costs him about \$150 a year. Would you like to tell "spending sportsmen" about your product? They'll listen, in *Sports Afield*.

BONUS AHEAD!

Average current circulation, ABC 6 months ending June 30, 1937..... 235,468
(Certain issues exceeded 255,000)

Current readers at 4.5 per issue..... 1,059,606
(Low estimate)

Estimated fall and winter circulation..... 250,000

Current rates based on..... 200,000

Fall and winter circulation bonus..... 50,000

1938 rates (effective Feb.) based on..... 220,000

Next year's bonus: Even bigger circulation and lower page rate per thousand readers.

PLAN NOW TO COLLECT THAT BONUS!

THE MAGAZINE OF AMERICA'S LEADING SPORTSMEN



TIMELINESS and EFFECTIVENESS

WESTCLOX WINDOW DISPLAY

Designed to tie up with retail
store activities during Westclox
Week—September 11-18, 1937.



Created and produced by

FORBES

Creative Lithographers for Seventy-five Years

STRIKING DESIGN . . . A specially constructed set-back golden fan . . . Die cut open-work lettering in WESTCLOX . . . Semi-transparent letters in BIG BEN . . . Plenty of shelf space for prominent display of twelve or more WESTCLOX items . . . Provision for an electric light and flasher unit . . . These are some of the vital creative elements that combine with good lithography to make this display a powerful merchandising unit . . . Just another indication that you should consult FORBES for creative cooperation . . . Let one of our sales executives work with you in developing your next sales campaign.



FORBES

LITHOGRAPH CO.

P. O. BOX 513 • BOSTON

NEW YORK • PHILADELPHIA • ROCHESTER • CHICAGO • DETROIT • CLEVELAND

Hell, Hooey and Hooray—How Not to Manage a Sales Force



Kaufmann-Fabry

The failure of many a potentially strong salesman is often chargeable to the sales executive in the home office who insists upon treating his men like a bunch of robots instead of individual human beings who suffer from pride, prejudice, and home problems.

B Y

B. GORDON FYFE

MEET Bill! Age 42. Married. Family includes a boy eight years old, a nice Boston Bull pup and a wife. Oh yes! And a mother-in-law. Assets are a five-room house in the suburbs of Chicago paternally financed by the H.O.L.C., a 1936 Ford with nine payments to go, and 20 years' experience of selling prospects things they don't want for money they haven't got.

Bill's as loyal as the average. Got to watch him a bit on expenses and he

is inclined to overestimate his next month's business with disastrous effect on his drawing account. He is neither top producer nor in the bogey list. Sometimes he has a banner month; but the glory goes to his head and sure as the sun rises the following month sees him with lots of report blanks but few orders. He is inclined to coast along on the records he broke last year. Well, you know Bill!

Let's have a peek into his mail. We will see a situation that is being duplicated every day in hundreds of small-town hotel lobbies and chromium-plated sales offices. Bill's territory includes the small main-street-and-nothing-else town of Mountain Springs. He is down there for a week selling the local dealers on Eskimo refrigeration. This is one of his off-weeks and orders are slim. Bill has just received three letters from the head office. Here is one from his sales manager, Horace J. Whitfield.

ESKIMO REFRIGERATION
CORPORATION
South La Salle Street,
CHICAGO

Mr. Bill Longshanks,
Clair Hotel,
Mountain Springs,
Arkansas.
Dear Bill,

Get on the Band Wagon! This letter announces a special Sales Contest for March. I know you'll get a real kick out of joining in and going to town with us!

Listen! Theodore B. Marks, President of Eskimo, leaves next Saturday morning on his annual vacation. This year it's going to be a 30-day cruise to Bermuda. While the Old Man's gone I want you to put out a special effort to show him your appreciation of all he's done for us. I want him to know that we are the most loyal and efficient sales organization in these United States.

Gather round. Here's the idea. For the next thirty days I want you to plan your work and put in just one hour a day *extra*. I want you to get at least one order a day PLUS—every day—and those extra hour's calls should just do it.

Then when Mr. Marks returns from his cruise I am going to put all these extra orders in a big envelope on his desk with a special Roll of Honor giving the name of every salesman who sent in *extra* business over quota.

You can imagine how thrilled he'll be! So will I! Let's get going—TODAY—NOW. Throw your hat in the ring! You'll earn my gratitude and the president's appreciation.

Yours for sales—and more sales,

HORACE J. WHITFIELD,
Sales Manager.

The letter tells Bill that Theodore B. Marks, president of the Eskimo Corp., has just left on his annual vacation—a 30-day cruise. While Theodore B. is fanning himself in Bermuda's balmy breezes, Sales Manager Horace J. Whitfield conceives the excellent idea of making this an excuse to run a sales contest. "What could be better," says he, "than to have all the boys work an hour a day extra for the next 30 days so when the President returns I can lay a nice scroll on his desk with a big fat bunch of extra orders the boys have got while he's been away."

"My hat's in the ring," writes Bill. But look at his letter to his friend Joe Dunner, another salesman for the same company, and see how Bill really feels about this contest plan and the effect it has on his morale.

Idea Was O.K.—But the Letter!

This sales manager was quite right in seizing the president's vacation as a peg on which to hang a sales contest. Next to seasonal and sports contest plans, one built around an internal company event or the personal activity of the chief executive is very effective. But he went off the rails in the way he wrote Bill about the contest. The old "hip hip up-and-at-'em" days are gone and with them the big-drum-banging style of writing salesmen.

Too, in asking his salesmen to put in an hour a day extra effort I think Sales Manager Whitfield makes the cardinal error of not offering them a worth-while inducement for that effort. He makes no specific suggestion as to *how* they can get those extra orders he is asking for. All he says is "go get 'em" and the way he says it would not appeal to the average intelligent salesman. It's my guess that seven salesmen out of ten would throw this latter in the nearest w.p.b. and say "Bunk!"

How much better it would have been had he dramatized this contest. A special letterhead, worth-while prizes or extra commissions, letters from the president mailed direct to the salesmen from the different foreign ports the ship would touch. The scroll idea is sound, but I do think that that alone is not enough to make a salesman grab his hat and go out after extra business. (Cont. on page 64)

SALES MANAGEMENT



The Good Earth

There's solid foundation for mutual understanding when circulation is taken out of the realms of the speculative and made an earthy, concrete fact. It was to expose the "good earth" of *controlled* circulations that the Controlled Circulation Audit was formed. *** C.C.A. is an independent organization conducting regular, responsible audits; it has no other function. Publishers listed below have C.C.A. reports for their circulations. And the C.C.A. insignia on their mastheads, rate cards and Standard Rate & Data Listings is a reliable guide to known value. Controlled circulation need no longer be bought on hope or promise.

This Advertisement is Sponsored and Paid for by These Leading C.C.A. Publications

AGRICULTURAL LEADERS DIGEST	ELECTRICAL MANUFAC- TURING	LUBRICATION & MAINTENANCE	POWER WAGON
AIR CONDITIONING Combined with OIL HEAT	EXCAVATING ENGINEER	MACHINE DESIGN	PREMIUM PRACTICE
AMERICAN DRY CLEANER	EXPLOSIVES ENGINEER, THE	MACRAE'S BLUE BOOK	PRINTING INDUSTRY
AUTOMATIC HEAT & AIR CONDITIONING	FLEET OWNER	MEAT	PROGRESSIVE GROCER
BAKERS REVIEW	FORECAST <i>for</i> HOME ECONOMISTS	MEDICAL ECONOMICS	RAND McNALLY BANKERS MONTHLY
BETTER ROADS	GOLFDOM	MILL & FACTORY	ROADS AND STREETS
COMPRESSED AIR MAGAZINE	HOSPITAL TOPICS & BUYER	MODERN MACHINE SHOP	RUG PROFITS
DRAPERY PROFITS	INDUSTRIAL EQUIPMENT NEWS	MODERN PLASTICS	SODA FOUNTAIN
DRUG TOPICS	INDUSTRIAL POWER	NATIONAL JEWELER	SUPER SERVICE STATION
EARTH MOVER	JOBBER TOPICS	NEW EQUIPMENT DIGEST	SYNDICATE STORE MERCHANDISER
ELECTRIC LIGHT & POWER	LIQUOR STORE & DISPENSER	OIL & GAS Equipment Review	TIRES
ELECTRICAL DEALER		PIT & QUARRY HANDBOOK	WOOD PRODUCTS



CONTROLLED CIRCULATION PUBLISHERS

SEPTEMBER 15, 1937

[63]

The Clair Hotel, Mountain Springs, Ark.
Dear Mr. Whitfield,

Sure my hat's in the ring! Count me in for the March contest. I'll send you a bagful of extra orders this month.

Of course you know I always do my best anyhow and I think you ought to reduce my quota this month. Everybody says this territory is harder to work than any place in these United States. They haven't gotten over the big fire they had last Fall.

By the way, the Arctic refrigerator salesman was round here last week. Their new model is about \$50 cheaper than ours and they have that shelf light gadget I suggested to you way back last March. It makes it mighty tough, Mr. Whitfield.

However, I've got two orders. Can't send them in yet because they aren't signed. Prospects have been too busy so far to get down to the actual signature. But it's all fixed up dandy. I'll shoot 'em in in time for this week's commission.

Right now I want to get my auto fixed up. There's a small shopping center about 25 miles south of here and if I can get there I know I can get some business. The gears stripped this a.m. and I don't think the 5c. a mile auto allowance the company gives us is enough to take care of repairs.

I have a big order hanging fire with the buyer of Armstrong's Stores here. Guess I'll have to take him for a night out. That'll set me back about ten bucks.

You know, Mr. Whitfield, I don't often ask, but if you could wire me a \$50 advance against the two orders I've got above it will take care of these two things and I can go out with my mind free and bring home the bacon. You know I'll make it up next month—so will you wire me the dough and I'll get busy raising hell around this place.

Sincerely yours,

BILL.

It needs no second sight to see that



Father pays the bills

(—YOU MAY HAVE HEARD THAT BEFORE)

It is still true, and here are the 967,649 pocketbooks of 967,649 men to prove it. 85.5% of them are married—have families that aggregate more than 3,000,000 active consumers for you.

The 967,649 Legionnaire pocketbooks are very comfortably filled—their automobile ownership being 14.5% above the United States National Average proves that.

Only one publication is edited to the known interests of these men—The American Legion Magazine. And while father is the subscriber—surveys show a plus readership for The American Legion Magazine of 819 readers

per 1000 copies. A positive indication of the magazine's popularity in the home. This popularity means one thing important to the advertiser—The American Legion Magazine leaves an impression on its readers.

Nearly a million pocketbooks . . . interested in the story of your advertised product . . . and more important—able to buy your advertised product.

*An active buying market—
economical to reach—*

1 PAGE BLACK AND WHITE \$1600
1 PAGE 2 COLORS 1900
1 PAGE 4 COLORS 3300
... A RATE PER PAGE PER THOUSAND OF \$1.62!

The American LEGION MAGAZINE

Chicago: 307 N. Michigan Avenue New York: 9 Rockefeller Plaza Detroit: General Motors Building

Bill's morale is not all it might be. He thinks his quota is too high. The old story "my territory is harder to work than any other" is trotted out for its monthly airing. His complaint that he first suggested the improvement now used in a competitive product is one that would appear to be justified.

Evidently Bill's sales manager does not believe in educating his salesmen by mail. It is not enough to say "this is so" and leave it at that. This sales manager should have called Bill's bluff about his quota long ago and either made an adjustment which would be satisfactory to Bill or rearranged the territory so that the quota could be made.

"My territory is harder" is an old, old story. One of the ways it could have been offset would have been to send Bill a clipping from one of the business services or magazines showing the rating for his territory against others in the country. Plenty of these charts are available, showing business activity trends in almost every line of business. Bill could expect no more effective answer to his statement than that.

High Head, Soft Hide

Bill's third complaint about the improvement he suggested is more difficult. It is certain that his sales manager should have thanked him for his suggestion and explained carefully why it could or could not be adopted. If, in fact, the competitor has adopted the improvement, then this sales manager should have forewarned his men about it and kept them informed of the arguments for and against this competitive machine.

"I've got two orders but I am not sending them in." This is a bug that bites many a good salesman. Bill should be cracked down on and cured once and for all of this unjustifiable optimism. He should be told of the harm that comes from kidding himself and his company about how many orders he is going to get.

The rest of Bill's letter is devoted to a build-up designed to extract a \$50 advance. This is not an article dealing with the "for's and against's" of giving salesmen advances. In this particular case, to make Bill an advance on the basis of his reasoning would simply be asking for trouble in the future. Certainly he seems to need the money. I think he ought to get it; but with the check should go a letter pointing out that the advance is made against commissions to be earned and not for auto repairs or entertaining buyers. These two latter points should be thrashed out once and for all and Bill's agreement secured that the auto

SALES MANAGEMENT



SKILLED LABOR
36%*



UNSKILLED WORKERS
22%*

93.3% of All Detroit's 397,122 Families
Have Definite Earning Power



OFFICE WORKERS
20%*



STORE WORKERS
11%*



PERSONAL SERVICE
4%*

UNCLASSIFIED
7%*

THE HIGHER THEIR INCOMES THE BETTER THE NEWS COVERS THEM

Take the skilled labor classification, for example. This group comprises 36% of Detroit's workers. As a group it has much higher buying power than any white collar division. 60.7% take The Detroit News regularly **IN THEIR HOMES**. The office workers comprise 20% of the city's workers and 75.6% of them take The News regularly. 52.2% of the store workers take The News regularly, as do 50.6% of those in the unskilled workers' classification.

The better the buying power of any group, the more thoroughly does The Detroit News reach it. Among the home owners whose homes are valued at \$10,000 or more, The News is taken regularly by 88%. **63½% of all Detroit homes taking any newspaper regularly take The Detroit News.**

*Percentage of Families With at Least One Employed Member

The Detroit News

THE HOME NEWSPAPER

How to Get These Twelve Surveys Free

Specific results, actual figures, with no veiled allusions and no data withheld—that is what you will get out of the following carefully prepared surveys:

- Consumers tell what they dislike about packages and containers.
- How newspapers cover leading city markets.
- Radio surveys in 63,663 homes show 45% listeners on average day.
- Why is the smoking public changing its cigarette preferences?
- Listeners again analyze and rate radio sales talks.
- Methods used by spot radio advertisers to get results.
- Housewives run up danger signals for manufacturers in new survey.
- What's wrong, and right, with American railroads?
- What do sales executives like, and dislike, about American hotels?
- Women less particular about food brands than cosmetics.
- Drug and toilet goods makers overlook vast potential market—the office.
- Brand specifications survey among men shows that wives do the choosing.

These surveys were made by the Market Research Corporation of America for SALES MANAGEMENT, from which they are reprinted by permission.

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Send me reprints of the twelve surveys, and MARKET RESEARCH for one year.

I enclose \$1 (). Bill me for \$1 ().
(Foreign, \$2.)

Name

Company

Street

City..... State.....

expense allowance is adequate and that entertaining is not necessary.

The Clair Hotel, Mountain Springs, Ark.
Dear Joe,

Did you get that damn fool letter from Head Office this a.m. about Marks going on a cruise? They must think we're a lot of kids or punks or somethin' to fall for that. I don't give two toots if Marks goes on a cruise and never comes back. What the hell—they see to it that we make the calls now—where do they think we can get an extra order a day from—out of the blue skies?

It sure burns me up. They sent me three letters this morning. One about the cruise, one about a cancellation on one of my orders (because they dunned the guy for the money) and another one about sending in Daily Reports. What do they think I am—an office boy?

If they didn't waste so much money on stamps and fancy printing they could pay us guys more commission.

On this contest thing—did you see they are going to give Marks a Roll of Honor with our names on and all the extra orders they hope we'll get while he's away? Why should I go out and pound the pavements for an hour a day extra while he's parking his big carcass on the poop deck and necking the stewardess? No sirree!

Side-Lines Prove Seductive

By the way, who d'you think I met in the lobby last night? Bob Jurgens and Jimmie Miller. You remember those boys we met in Kansas City last Fall. Tell me they are cleaning up on their deal. Clicked for twenty bucks each last week on the side. Makes me think you and I might do well on one of those side deals. I need some extra dough to go South next winter, and the mamma craves a new fur coat.

After I met them, went up to their room and stayed shootin' craps till 3 a.m. They're sure making lots of dough because they had a lot of liquor under the bed. I cleaned up most of the liquor—but they cleaned up most of my dough.

Didn't get up till noon. Have been Bromo-swizzing since. All set for a party tomorrow night—they know a couple swell cuties. What you going to do about this Daily Report stunt? I told Whitfield to stick it—you know where! Well—I'll be seeing you, Bill—gotta fill in this crossword and get it in the mail by 5 p.m. Going to phone my prospects tomorrow to save time walking around.

All the best,
BILL.

Evidently Bill and his friend Joe Dunner have been talking things over—and not to the advantage of their company either. Bill is sore about the contest idea because he is expected to work harder for no extra reward. His lack of loyalty may be criticized; but remember he is working for a hard-boiled on-the-line specialty sales organization and on a straight commission compensation plan. It is too much to ask him to give the president and the sales manager a "thrill," without getting anything out of it himself.

Like many other salesmen, he criticizes the company for wasting

money on what appears to him to be unnecessary routine. He is squawking because he is asked to send in daily reports. Evidently Bill was not told how or why these reports were necessary or how they would help him to get future business.

Coming to the more intimate part of his letter we see that Bill, away from home, has fallen for the temptations of wine, women and song. What an opportunity this would be for a series of "Salesman's Health" Bulletins, selling Bill and his co-workers on the cash value of physical fitness in selling. Some "Hit the Hay Early" cartoons and stories might go a long way towards getting Bill to keep himself on top of his form with beneficial effects on his sales volume.

In the closing paragraphs of Bill's letter, we uncover another old sore—"sidelines." The newspaper Want Ad columns are brimming over with attractive offers of "\$10 a day extra selling this new invention! Every car owner a prospect"; "walk into the store with nothing and come out with \$5." Some sales executives I know would turn red in the face if they knew how many of their salesmen were adding to their weekly incomes with sidelines. Wide open spaces on report blanks tell their own story sometimes.

If Bill and Joe were sold 100% on their company they would not be looking for sidelines. It is not enough to hire a new man, take him around the plant for a few days, fire him red-hot with enthusiasm and then turn him out to freeze off gradually in the field. Through letters, bulletins, personal contact and success stories of other men, he should be kept sold and red-hot sold on his company and its proposition.

Bill Writes Home

The Clair Hotel, Mountain Springs, Ark.
Say, Honey,

Just got your letter this a.m. Had a hard day yesterday and could not write you last night as I was busy making up reports.

This is a lousy hotel and a hard place to work. Didn't get any orders today though I made 22 calls. You know it's not my fault. I can sell anything. But the company won't change the deal around like I told them to—Arctic have got that Shelf Light gadget I suggested to Whitfield a long time ago. He only got his job because he married a niece of the boss and they sure don't appreciate ideas or give you a chance to get on.

Am doing my best. Should make about \$50 this week. Sorry, dear, I can't send you a check tonight—they held up the commissions this week again. Will get some money off to you Friday. Better make the payments on the radio and that coat of yours. We should nearly have paid for that by now—it's time you had a new one—mink would look good on you.

Sure it's O.K. to have your Mother with

SALES MANAGEMENT

you for a week. But get her out of circulation before I get back. I know she's a wonderful woman—but she's a pain in the neck to me. All right. All right—we won't go into all that again.

Just got a letter from Head Office that burns me up. All about Marks, the president, going on a cruise and would I work an hour a day extra to get some orders on top of my quota to give him on his return. Nuts. You know I work as hard as any man can work right now.

Well, good night, honey—and about that new fur coat—I think I can pick up a good deal on the side that will make me 10 or 15 bucks a week extra. Maybe we can make the payments after all.

Your loving husband,
BILL.

It might have been a good idea for Sales Manager Whitfield to have tried to sell Bill's wife on this contest as well as Bill. It might also have been practical for him to find out a little about Bill's home background and personal finances. Obviously Bill is living above either his present or potential income. Just how far an executive can go in taking a paternal

interest in his salesmen is open to argument. But nothing but good could have resulted from this sales manager having a straight man-to-man talk with Bill—and Mrs. Bill.

It is apparent, also, that Bill feels he is not recognized as he should be. That this sales manager should have told Bill his efforts were appreciated and that the only thing standing in the way of his promotion was himself, is obvious. Promiscuous promises of promotion are dynamite. But a planned schedule of opportunities for the salesman to better himself will only have the effect of spurring that man on to greater effort—if he is of the right type.

But the chances are that this sales manager will tell Bill none of these things, and Bill will finally fade out, leaving a trail of red in the salesmen's account ledger. For you see he has not had an opportunity to look into Bill's private correspondence as you and I have.

Miller-Tydings Act to Change FTC's Attitude on Price-Fixing?

Commission's usual procedure to apply to new cases under M-T, but cases already pending will get reconsideration.

HAS the Miller-Tydings Fair Trade Enabling Act changed procedure of the Federal Trade Commission? Has it changed the status of pending cases? And how? How will it affect price-fixing in the future? Is the story ended or will the matter come up again at the next session of Congress?

There is little question but what the Miller-Tydings Act has moved into a focal position in the entire anti-trust activity of the Federal Government. It has caused, is causing, and will cause shifts in the Federal approach to "trust busting." This is true both from the standpoint of the Federal Trade Commission and the Department of Justice.

Specifically, however, the actual procedure of the Federal Trade Commission in handling price-fixing cases or other cases will not be changed. As a matter of fact, cases arising under the new Act will be handled under the same formula as regularly followed by the Commission.

First, complaints must be made to the Commission—complaints that the Miller-Tydings Act has been violated. These will then be taken under con-

sideration by an FTC examiner who will make a thorough investigation to assemble the facts. After the examiner has completed his work, he presents the matter to the Commission for its consideration. In cases in which the Commission finds violation, after regular hearings or other inquiry is made, cease and desist orders will be forthcoming.

In contrast to changes in procedure, the status of pending cases has been turned topsy-turvy. The FTC at the moment is engaged in reconsidering price-fixing cases which are before it, 15 or 20 in all. These are considered of much importance and include various liquor cases. It is important to point out that each of these is to be considered individually on its own merits. No blanket abandonment should be anticipated.

In its re-survey of these cases under the new enactment, the cases must be studied not only from the standpoint of the Federal law but also consideration must be given to the state statutes. The first of these cases (whose status has been changed) to be announced will establish precedent and will carry much weight in following decisions. It

(Continued on page 92)

The **SCHELBRO** Sales Coach



Choice of the LEADERS

More than fifty of the largest National manufacturers have chosen SCHELBRO for their sales coach fleets. Among the famous products "sold on wheels" the SCHELBRO-way are: ABC, Easy, Thor and Voss washers; Stewart-Warner, Motorola, Crosley, Philco and Zenith radio; Knapp-Monarch and Fairbanks-Morse appliances; Parker pens; Valvoline oils; Philgas; Dennison; Gellman slicers; Graton and Knight belting.

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ILLINOIS

The ONLY manufacturers of Commercial Coaches
exclusively . . . and the LARGEST



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is verdict of Michigan
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"I've tried all the better Detroit hotels—but my mind's made up now, and it's the Book-Cadillac for life for me," writes this mining executive. So comfortable, so convenient! And cheerful service that makes you feel right at home.



BOOK-CADILLAC FEATURES

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1200 rooms.....minimum rate \$3

National Hotel Management Co., Inc.

Ralph Hitz, President



This group of 43 mill tenements in Fall River, Mass.—even after remodeling—are not piped for hot water. But every one has been equipped with a No-Tank heater, and thousands like them are hot prospects.

Junior Water Heater to Mark Passing of "Cold Water Flat"?

DIPPING into the mass market, United American Bosch Corp., Springfield, Mass., has sold 10,000 No-Tank water heaters since introducing them a year ago. Priced at \$45, the heaters clicked immediately because they were the first ever offered for thousands of cold water tenements and other places where hot water piping is not available.

Until a year and a half ago the company, in addition to its line of radios, magnetos and fuel injection equipment, marketed automatic gas water heating equipment of the tank type only. These heaters, ranging in price from \$75 to \$150 and requiring tank and hot water piping installations, were necessarily limited to families enjoying reasonably good incomes. The American Bosch No-Tank water heater operates without a tank, without hot water piping, being attached directly to the cold water faucet.

Boost Sales of Whole Line

Not only has the new product increased sales materially, but it has increased the sale of tank water heating equipment. In 1936, from the time the faucet heaters were introduced, tank heaters enjoyed a 60% sales increase over 1935; to date in 1937, tank heaters are 25% ahead of 1936 sales.

The explanation lies in the fact that people who previously believed tank heaters were too expensive have, after trying the small heaters, been so impressed with the convenience and comfort of hot water service that they have stretched the family purse to buy a larger heater. Furthermore, No-Tank heater promotions have inter-

United American Bosch, by introducing a \$45 unit operating without tank or hot water piping, is successfully opening an altogether new market for water heating equipment.

ested many prospects who have been switched to tank heaters during the sale.

"Heaters of the no-tank type are new in America only," states R. W. Washburn, sales manager in charge of water heating equipment. "In France, Germany, Italy and the United Kingdom, there are perhaps half a million in use, some homes having as many as four units for different purposes.

"In this country, for instance, in the city of Fall River, there is on one street a group of 43 remodeled mill tenements, each of which has installed one of these small heaters. A unit may be so hooked up with a copper tubing extension as to serve other outlets. The heater is also tapping the large farm market where propane gas is the fuel.

"Another use has been for business purposes—barber shops, beauty parlors, small offices, chain stores, automobile and service stations. One of the large grocery chains has installed 400, with a potential of 1,800. In New York, a gasoline company is installing one in each new service station, a triple hook-up giving attendants the cleanliness that hot water affords, and offering motorists the con-

venience and comfort of hot water in the rest rooms."

No-Tanks had to overcome a serious handicap. They operate without flue attachment, which is against the law in any number of eastern cities, where it is required that all heaters must be vented to a flue.

So firmly did American Bosch believe that flue-connecting was unnecessary that it obtained the services of a well known engineering organization to put the product through a series of rigid, impartial tests to determine its safety.

The report, highly technical, showed no serious effects from the no-flue operation. An interesting feature of the test was that a canary bird, usually highly sensitive to dangerous atmospheric conditions, was kept near the heater without at any time showing any distress. The tests paved the way for exemption of the product in regard to flue connecting.

Manual Plays Star Role

To aid utility salesmen, Bosch has distributed 2,500 loose-leaf 56-page books, a veritable manual on water heating equipment. An introduction traces American Bosch's history in the water heating business back to 1933, when it acquired the old Kompak Co., to the present line of four heaters—Ball Tank, Konvento, No-Tank and Kabinette.

Following is a section on "Heating Water with Gas," an eight-page section devoted to detailed information on that subject. Each product is then featured in a separate section, giving its uses, technical data, operating facts, all freely illustrated with sketches and photographs. Reports indicate that these manuals have been of great value in aiding retail salesmen to do a better job on the complete line of heaters.

No-Tank heaters have been advertised regularly in *Gas Age-Record* and *American Gas Journal*, and by catalog pages furnished to Bosch customers. In addition, the company gives its dealer customers a 5% merchandise allowance for advertising, providing advertising features American Bosch water heaters exclusively.

Pepperell Sheet Campaign

Pepperell Manufacturing Co., Boston, will break the first of a series of pages in *Life* with the October 4 issue. Double page spreads follow. Ads follow the magazine's editorial technique and layout. Lady Pepperell sheets and pillow cases are featured, and other Pepperell fabrics are mentioned incidentally. Women's magazines continue on the schedule. BBDO is the agency.

On November 5 the company begins a program over 37 NBC stations. Dr. Karl Reiland, author and lecturer, is starred.

SALES MANAGEMENT

26 Answers to the Question: "Am I Breaking the R-P Act?"

(Continued from page 32)

stockholders, apparently for an occasional purchase of an item specifically demanded by some customer. Although sales to wholesalers were made, the company's policy is to sell to retailers as much as possible.

Reasons for closing: The above plan is open to all retail customers and is used by all to whom trade in the products concerned is significant. Hence it has not to any noticeable degree unfavorably affected competition or injured competitors of the company using the plan or competitors of its customers.

Intrastate Sales

Charge: Violation of 2(a) in that certain retail drug chains were allowed 15%, the jobbers' discount, which smaller retailers were not granted.

Commodity: Liniment.

Facts: The facts were as alleged. However, the sales complained of were all within the state of manufacture. Since the transactions were not in interstate commerce, the file was closed.

Cooperative Discrimination

Section involved: 2(a)—Price discrimination.

Commodity: Tobacco.

Facts: A charge was made that tobacco manufacturers had adopted a discount to large buyers discriminating against members of a cooperative buying group. Further inquiry developed the basis of the charge to be a refusal by certain manufacturers to sell directly to such members.

The Commission's somewhat recent general investigation of the tobacco industry, covering the sales policies of all major tobacco manufacturers, disclosed that each manufacturer selects his customers after taking into consideration the number of distributors he already has and the credit responsibility and general business methods of each would-be customer. No evidence of cooperation or collusion by the tobacco manufacturers in the selection of customers could be found, nor such selection resulting in restraint of trade or a substantial effect on competition. In view of the foregoing, the file was closed.

Brokerage Fees

Section involved: 2(c)—Payment of brokerage.

Commodity: Chinaware.

Facts: Complainant for many years purchased chinaware direct from an English manufacturer. During 1923 the manufacturer appointed an exclusive sales agent for the United States and thereafter paid said agent a brokerage on all sales made in the United States, including those to complainant. The evidence shows that the exclusive sales agent carries a large warehouse stock of the chinaware here involved and employs salesmen to travel throughout the United States selling said product to department stores and other retail accounts. The English manufacturer paid the brokerage complained of to the exclusive sales agent for actual services rendered and no buyer had any interest whatever in the exclusive sales agency, hence the file was closed.

Meeting Competition

Section involved: 2(a)—Price discrimination.

Commodity: Food products (peas).

Facts: A retail chain grocery company notified the Commission that it was selling canned peas at less than cost to meet the competition of another retail chain grocery company on the same items. A preliminary inquiry determined that the second chain had made a large purchase on an advantageous market several months in advance of the purchases being sold below cost by the first chain and was selling at a close profit margin to reduce its stock. There was no evidence of discrimination or injury to competition, and the file was closed.

Sales Below Cost

Section involved: 2(a)—Price discrimination.

Commodity: Cigars, cigarettes, tobacco products.

Facts: Charge of discrimination between customers and selling below cost on the part of a wholesaler. Evidence showed a small discrimination between customers based on differing sales methods; that there was no injury to competition; and that sales were confined to six city blocks from its store and entirely within one state. Hence the file was closed.

SEPTEMBER 15, 1937

SALES EXECUTIVES AND DICTAPHONES

There's a good reason why they're so often a team!

It's in the record that Dictaphone just about *doubles* an executive's ability to get things done. This applies to most executives . . . but it goes biggest, somehow, with sales executives.

And at the same time, Dictaphone noticeably *cuts down* the sense of strain and pressure under which many executives work . . . under which a sales executive, especially, works.

We'd like to show you *how* this modern dictating machine accomplishes these things, simply, quickly and easily. We'd like you to see for yourself just how conferences are shortened . . . important phone conversations recorded . . . verbal instructions made mistake and alibi-proof . . . secretaries freed from taking notes to spend the day really getting things done.

We'll come to your office. At your convenience. With no obligation to you . . . Just mail the coupon now . . . *The busier you are, the more it may be worth to you.*



Raymond J. McSoley, Sales Mgr.
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Peninsular Paint & Varnish Co.
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Hookless Fastener Co.
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LET HIM SHOW YOU—right in your office. You'll discover many helpful uses you've never thought of. Call us today and find out what Dictaphone really does!

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- ☐ Please let me know when "Two Salesmen in Search of an Order" will be exhibited in my city.
☐ I want to see what Dictaphone can do for me.

Name _____

Company _____

Address _____

The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, Makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.

Brokerage Fees

Section involved: 2(c)—Payment of brokerage.
Commodity: Fruit and vegetable brokerage business.

Facts: A seller's agent is compensated in the form of seller's brokerage fees. Over 90% of sales are made to a certain wholesaler. The agent was formerly a partner in the wholesale company, but sold out in 1934, and since that time has had no connection with said company.

The books, records, and numerous interviews failed to support charges that proposed company was in fact controlled by or in control of the wholesale company or was transmitting brokerage fees to said wholesale company, or was not a bona fide brokerage house. Hence the file was closed.

Sales to Dummy

Section involved: 2(a)—Price discrimination.
Commodity: Golf equipment.

Facts: A manufacturer was charged with selling golf equipment at retail through a bogus independent retail store at less than the customary wholesale price for the purpose of coercing a retailer to stock his equipment. Investigation

showed that the owners of the retail store had been employed as salesmen by the manufacturer, but that the manufacturer neither owned nor controlled the store nor granted it discriminatory prices. Moreover, the business of the manufacturer was taken over by a new company under new ownership in November, 1936, subsequent to the alleged discrimination. Hence the file was closed.

Desk Wholesalers

Section involved: 2(a)—Price discrimination.
Commodity: Tobacco products; groceries.

Facts: Party charged is a desk wholesaler; i. e., he maintains no warehouse, but buys commodities from manufacturers, the latter shipping directly to the retailers. Goods are billed by the desk wholesaler at wholesale cost. A market information service is also rendered. Customers are under contract with the desk wholesaler by which they pay 1/2% on their gross sales of all commodities for his services. Complaint is made that thus the retailers secure goods at 1/2% above wholesaler's cost in violation of the Act.

The file was closed because the manufacturers involved give this wholesaler no preference in price; he sells to all his customers at the same price, and consequently no discrimination in price occurred.

Exclusive Agents

Section involved: 2(a)—Price discrimination.
Commodity: Gasoline.

Facts: The operator of a gasoline station complained that a number of oil companies sell ethyl and regular gasoline (but not third-grade gasoline) to 100% accounts (those handling one company's gasoline exclusively) at four cents per gallon under the published retail prices, and to those known as split accounts (handling more than one company's gasoline) at three cents under said listed price. The selling plan complained of is used by a number of oil companies as well as those named by complainant, and these companies are being investigated. The transactions of this particular proposed respondent, however, are in intrastate commerce exclusively. Hence the file has been closed.

Non-Competitive Sellers

Section involved: 2(a)—Price discrimination.

Commodity: Machines used for retreading automobile tires.

Facts: Concern charged sells its machine to two classes of buyers: Automobile service-station operators and distributors who buy for resale. Eighty per cent of its production is sold direct to the service-station operators at list price less 5%. The distributors are allowed uniform discounts which vary on different items of equipment from 10 to 30%, except as to two discarded models now practically off the market, on which discounts to different distributors range from 33 1/3 to 35%. The basis of the application for complaint is the price differential between service-station operators (consumers) and the distributors who buy for resale. The distributors and the service-station operators are not competitors, and there is no evidence that, by virtue of the distributors' discounts service-station operators who buy from distributors obtain an advantage over those who do not. Hence the functional discount does not affect competition. In view of the foregoing, the file was closed.

Sales to Employees

Section involved: 2(a)—Price discrimination.
Commodity: Automobile tires.

Facts: It was charged that tire manufacturers sold tires to the employees of so-called national accounts at the same prices as to these national accounts, and often at lower prices than those paid by independent dealers.

In making national account or fleet owner contracts, it is the practice to insert a proviso that the tires are to be used only on cars owned by the purchaser and manufacturers seek to obtain observance of such contracts. Sales, if any, to employees by employers were intrastate transaction. Hence the file was closed.

Industry Wage Plan Modeled on "Earn-as-You-Produce" Lines

ALLEN W. RUCKER, head of the Eddy - Rucker - Nickels Co., Cambridge, Mass., who is well-known to SALES MANAGEMENT readers through his several contributions in recent years, has written a highly provocative book which might well be assigned as required reading to all employers of labor. The book, "Labor's Only Road to Plenty," was published last week by L. C. Page & Co., Boston, price \$2.50. It contains the results of seven years of research work by Mr. Rucker into the problems of production and distribution.

Mr. Rucker's main thesis is based upon two truths: (1) That the annual income and the purchasing power of labor, collectively and individually, rises and falls with the productivity

SALES MANAGEMENT

The Rate You Pick is the Rate You Pay...

DOUBLE \$4.

DOUBLE \$4.50

DOUBLE \$5.

HOTEL SHERMAN

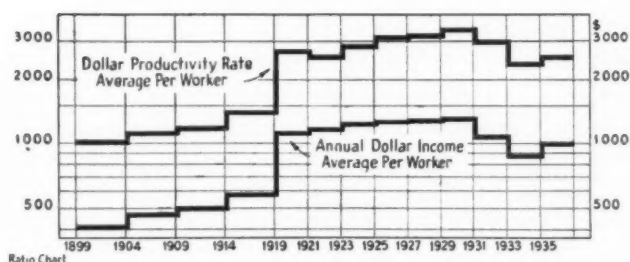
1700 ROOMS
1700 BATHS

HOME OF THE
COLLEGE INN

FRANKIE MASTERS His Radio Orchestra
JACKIE HELLER—Popular N.B.C. Singing Star

CHICAGO

YOU CAN DRIVE YOUR CAR RIGHT IN HOTEL SHERMAN



Note the remarkable parallel between the dollar productivity rate and the annual dollar income average per worker. See text for further explanation.

rate of marketable output, and (2) the proportion of the marketable values which are distributed as payrolls is remarkably constant; i.e., factory labor as a group always is paid an almost constant percentage of the value added by manufacture.

The supposition that the annual dollar income may be increased by increasing the wage rate instead of by increasing productive effort is nothing more than a childish error of mistaking a rate for a result, according to Mr. Rucker.

The "Pay Proportionate to Productivity Plan" makes no attempt to establish any new means for compensating varying degrees of skill and merit. The hourly wage rate or some of its variations are admirably suited to that purpose.

What the "Pay Proportionate to Productivity Plan" does do is to endeavor to establish a percentage of value added, not product value, which would represent the compensation of all labor combined, in a given plan. For instance, if the value-added in a year in a plan were \$100,000 and the agreed upon percentage were 36.3%, then the total payroll of the plant would be \$36,300. This would be divided among the different individual workmen just the way it has in the past.

"Price distortion diminishes the free flow of goods and services through the markets; the purchasing power of income is lowered and the national standard of living imperiled. Concurrently, the employment opportunity and purchasing power of labor as a whole is reduced, distress and want replace security and plenty, and serious social and political problems arise. . . . The total dollar income of labor must and does rise and fall with the dollar income of basic consumers. The purchasing power of labor and the nation, however, rises and falls with the physical volume of marketable goods produced. And that is to be enlarged only by removing the restrictions upon the free exchange of goods and services, and hence their production and consumption, which are imposed by disparity wage-rates and prices."

A chart from the book which is reproduced herewith, shows a remarkable consistency between the dollar

productivity rate and the annual dollar income average per worker, and Mr. Rucker believes there is a natural limitation upon labor's percentage share of physical output, which is not in the least affected by the management, trade unions or the government. But while this principle governs the

total payrolls of industry, those payrolls may be divided among individuals according to skill and worth.

The Rucker analyses of the nation's business, industry by industry, show that almost without exception industries decline when the percentage of payrolls to value added goes substantially above 40%. This usually means that prices in the industry go to such a high point that consumer resistance steps in, and as a natural corollary other industries get the business.

The author believes that it should be possible for any individual company to derive a normal average percentage which the firm's annual payroll should bear to the total annual value added by manufacture.



The HOUSTON Market is Texas' Greatest Market

It's Worth \$181,860,000 a Year MORE to Retailers and Manufacturers—Than the Second Texas Market

The retail buying strength of the HOUSTON market is \$846,730,000 a year . . . or 27 per cent more than that of the second-ranking Texas market!

And this power to purchase grows stronger each year . . . especially in relation to other Texas markets!

In 1935 the Houston area spent in retail stores \$53,471,000 more than the second Texas market.

In 1936 the Houston area spent in retail stores \$63,190,000 more than the second Texas market.

The Houston market consists of rich, active industrial - agricultural counties surrounding America's Fourth Port and the World's Leading Oil Center.

Sell Texas' No. 1 MARKET With Houston's No. 1 NEWSPAPER

THE HOUSTON CHRONICLE

LEADS THE STATE IN NATIONAL ADVERTISING
FIRST IN HOUSTON—IN EVERYTHING

R. W. McCARTHY
 Manager National Advertising

THE BRANHAM COMPANY
 National Representatives

Consumer Studies Show Farm vs. City Women Drug-Buying Habits

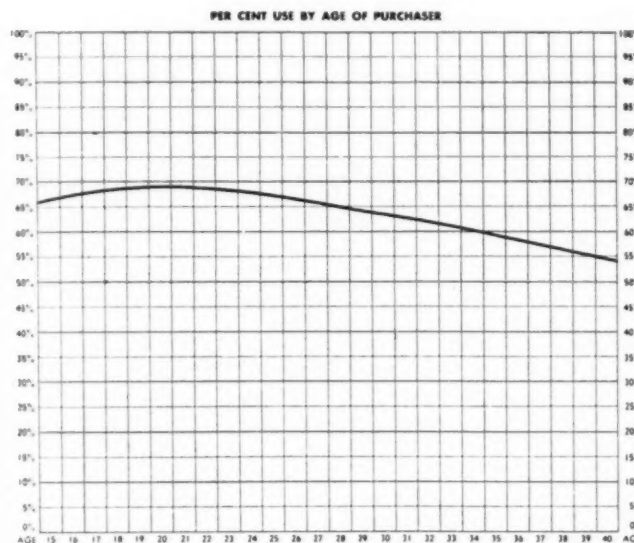
New studies of *Modern Magazines* and *Successful Farming* reveal significant changes in use habits as compared with seven years ago.

INDEPENDENT studies released currently by *Modern Magazines* and *Successful Farming* show the similarities and the differences in the purchase of toilet goods by city and farm women. *Modern Magazines* have a circulation approximating a million and a half, and only 10% of the sales are in towns under 2,500 population. *Successful Farming*, on the contrary, with a net paid in the neighborhood of 1,100,000, is approximately 80% RFD delivered. Therefore, we have highly contrasting groups of women in the two studies—one predominantly urban, the other predominantly farm.

The Market Goes Up by Age Groups, Then Down: On most classifications the two studies are in agreement—that women from 20 to 30 are the largest buyers. From 30 to 39 the market begins to slide off a bit, and the low point is reached following 40. Graph at right shows the use of perfume among readers of *Modern*. The *Successful Farming* study shows that 76% of the women under 20 use perfume, 72% of those from 20 to 29, 63% from 30 to 39, and 59%, 40 and over.

Both publishers conducted a mail survey among readers this Spring. They asked the brand used of a long list of toilet articles, type of store where they were purchased, the age of the respondent. *Modern Magazines* went a step further in asking the price

usually paid and the number of times a year each item was purchased. Incidentally, this is the seventh annual survey on toilet goods buying habits made by *Modern Magazines*. Their



current survey is called "Seventh Survey of Beauty." *Successful Farming* has released its study under the title "A Study of Toilet Goods Buying Habits of Farm Women."

Modern's study is an analysis of the response from 7,967 city women; *Successful Farming* tabulated responses from 380 farm women. The latter publication adds in a foreword of results, "The proportion of women reporting the use of each item covered is probably somewhat higher than is true for farm women as a group. We must recognize that the inclination to return the questionnaire would undoubtedly be greater among women who could report the use of a number of the items listed than it would be among women who are less extensive users. Such a tendency will not, however, be likely to lessen the significance of the information on brand preferences."

Following is a tabulation of the preferred brands of tooth paste, tooth brushes, face powder, perfume and hair tonics among farm women and city women. The *Modern* survey gives similar data for 54 products, *Successful Farming* for 17.

Farm Women		City Women	
Tooth Brushes		Tooth Brushes	
	% Using Brand		% Using Brand
Dr. West.....	27.3	Dr. West.....	34.0
Pro-phy-lac-tic ..	11.1	Pro-phy-lac-tic ..	12.5
Fuller	7.9	Tek	11.0
Tek	7.5	Fuller	6.0
Dentalist	6.1	Dentabest	2.5
Dentabest	3.6	Dentatuft	2.5
Superfine	2.1	Dentalist	1.5
Klenzo	2.1	Scientific	1.0
Watkins	2.1	Paramount	1.0
Dentatuft	1.8	Tefra	1.0

The Miami Herald

FIRST 7 MONTHS OF 1937

—carried—

8,030,761

LINES OF

PAID ADVERTISING

2nd Paper: (afternoon)

5,857,405 Lines

3rd Paper: (morning)

3,453,783 Lines

The Herald's increasing leadership proves that the advertisers of this rich market recognize fully the fact that—"You cannot cover Miami without the Herald—and you can cover it with the Herald—alone!" "LEADER IN MIAMI IN BOTH ADVERTISING AND CIRCULATION FOR 16 YEARS!"

FRANK B. SHUTTS, Publisher

National Representatives:

J. P. McKINNEY & SON

New York Chicago San Francisco

Southern Representatives:

GARNER & GRANT

Suite 1601

Rhodes-Haverly Bldg., Atlanta, Ga.

Perfume

	% Using Brand		% Using Brand
Coty	14.4	Evening in Paris	22.5
Evening in Paris	11.6	Coty	20.5
Avon	7.6	Blue Waltz	5.0
Cashmere Bouquet	6.0	Irresistible	4.0
Blue Waltz	5.2	Gardenia	4.0
Radio Girl	4.8	Faen	3.0
April Showers	3.6	April Showers	2.5
Yardley's	3.2	Ben Hur	2.0
Irresistible	2.8	Yardley's	1.5
Ben Hur	2.4	Shalimar	1.5

Face Powder

	% Using Brand		% Using Brand
Lady Esther	24.5	Lady Esther	18.0
Woodbury's	13.2	Woodbury's	12.0
Pond's	10.4	Max Factor	10.5
Armand	8.2	Coty	10.0
Coty	6.3	Pond's	9.5
Max Factor	4.6	Marvelous	3.0
Avon	3.8	Evening in Paris	3.0
Cashmere Bouquet	3.5	Luxor	2.0
Cara Nome	2.2	Armand	2.0
Luxor	1.9	Tangee	2.0

Tooth Paste

	% Using Brand		% Using Brand
Listerine	22.9	Colgate's	26.0
Colgate's	21.5	Ipana	23.0
Pepsodent	16.1	Pepsodent	12.0
Ipana	15.4	Listerine	10.0
Milk of Magnesia	5.7	Kolynos	5.0
Kolynos	2.8	Milk of Magnesia	3.0
Avon	2.5	Dr. West	3.0
Dr. West	2.1	Squibb	3.0
Pebeco	2.1	Iodent	2.0
Graig-Martin	1.4	Dr. Lyons	2.0

Hair Tonic

	% Using Brand		% Using Brand
Fitch's	20.9	Fitch's	23.0
Lucky Tiger	12.4	Vaseline	13.0
Danderine	9.3	Lucky Tiger	11.0
Wildroot	9.3	Kreml	8.5
Avon	6.2	Wildroot	7.5
Rawleigh's	4.6	Vitalis	4.0
Vaseline	3.8		
Krank	3.1		
Mar-O-Oil	2.3		
Roses-S-M	2.3		

The survey among city women shows extraordinary differences between the use habits of women seven years ago and today. Following are classifications which have shown either rapid declines or extraordinary gains:

	% of Women Using Product	
	1st Survey	7th Survey
Astringent cream or lotion	39	13
Bleach or freckle cream	21	10
Brilliantine	18	25
Cuticle softener and remover	58	48
Depilatory	36	14
Eyelash grower	27	10
Mouth wash	76	57
Nail polish	70	82
Perfume	71	63
Powder base	49	33
Powder puffs	56	38
Shampoo	46	67
Tooth paste	75*	66
Tooth powder	34*	41
Wave set lotion	40	23

* 5th Survey.

SEPTEMBER 15, 1937



Ohio's Second Largest Market Buys 75% as Many Groceries as Cleveland!

Ohio's Sales Tax Figures reveal this astounding fact: 26 counties surrounding Cleveland (exclusive of Akron, Canton and Youngstown) form the *2nd largest market in Ohio*. The importance of this closely-knit market is shown by its grocery volume—*three-fourths* as large as Cleveland!

There is only one economical way to sell the state's 2nd largest market. When you use the Daily Plain Dealer to cover Cleveland, you also include—at no extra cost—the real buying power in these 26 counties. Thus, with a single newspaper, you reach Ohio's two largest markets, containing 35% of all the retail sales in the entire state.

Write us, or John B. Woodward, Inc., for Ohio's Sales Tax figures. They are the key to more sales in Ohio—America's fifth largest retail market.

CLEVELAND PLAIN DEALER



MEDIA AND AGENCIES

Media Promotions, Statistics, Bright Spots and Shifting Personnel . . . Spot News of the Advertising World

54 Stars for Newark

Newark is notable in having grown great in the shadow of a much larger city. The Newark *News* is notable in that, in some respects, it has grown even greater than the New York metropolitan dailies.

If the city of Newark seems sometimes to be a little David it is only because of the contrast with that whopping Goliath of New York City, a dozen miles away across the Jersey meadows and the Hudson River. Actually, Newark is eighteenth in population among all U. S. cities. It is as big as Minneapolis, New Orleans, Cincinnati or Kansas City. Its 450,000 population is twice as much as San Antonio or Omaha—50% more than Toledo or Houston or Louisville.

And although New York has spread its "metropolitan area" over a 50-mile radius, to include 10,000,000 or 11,000,000 souls in a score of counties in three states, some of the cities within that area have developed distinct "metropolitan areas" of their own. Newark, the largest of them, includes not only its own Essex County but Union County, and parts of Bergen and of Hudson.

Essex County alone had retail sales of \$309,000,000, or \$371 per capita, in 1935. The latter figure compared with \$332 per capita in 1933, with an estimated \$427 per capita in 1936. Essex County's per capita retail sales in 1936, it was believed, ranked seventh in the nation.

Only 12 U. S. cities have higher realty assessed valuation than Newark.

Essex is primarily an industrial center. Its

1,890 manufacturing establishments, employing 70,422 people, have a current annual output valued at \$477,188,000.

If Robert Treat, who founded Newark in 1666, were to come back, he would have reason to be pleased with the progress of his city.

Most of this progress has come during the 54 years of the life of the Newark *Evening News*. The population of Newark itself has more than trebled. The circulation of the *News* has grown in this period from a first year average of about 8,000 to a present average of 150,000. Reflecting the importance of the market, its total advertising linage for the last seven years has outranked all other six-day papers in the country.

Although still about 50% less than that of its peak period, 1926-29, inclusive, the *News* has consistently held this top position. Nationally, its circulation is only one-half to one-tenth of that of the New York metropolitan dailies, but its total linage last year, of 14,346,765, was 2,000,000 more than the six-day linage of the New York *Times*, 500,000 more than that of the New York *News*, 1,000,000 more than the *Sun*, 2,000,000 more than the *World-Telegram*, and was ahead of the *Herald Tribune* and *Journal-American* by a much wider margin.

This linage leadership of the Newark *News* in the metropolitan area goes back at least 16 years. It is getting to be a habit by now.

The Newark *Evening News* was founded as a 2-cent paper, to combat some existing 3-centers, on September 1, 1883. It lacked

two days of being just a half century younger than the New York *Sun*, which Ben Day had launched as a 1-center to become a "people's newspaper." The purpose of the *News* was similar.

The first issue of the *News* appeared through the efforts of 14 men. The organizers were Wallace M. Scudder, the first publisher (whose son, Edward M., has succeeded him to that office), Henry Abbott Steel and Lawrence S. Mott. There were three writers and reporters and eight printers.

Of the 14, all are now dead, except one. William W. Comes, one of the original printers, retired the other day after exactly 54 years on the paper. The occasion was made the subject of a special edition, and of tributes from Publisher Scudder, General Manager Benjamin Foley, Editor Arthur J. Sinnott, and others.

After more than half a century of setting other people's copy, Mr. Comes wrote a column himself for that issue, for someone else to set.

The "Comes Edition—54 Star" outlined the changes which have come about in the world, the nation, Newark and the *News*, as one man, working quietly and conscientiously down the years, has helped to record them. Perhaps the Blizzard of '88 seemed bigger news at the time than the shooting, 26 years later, of an Austrian archduke at Sarajevo. . . . Perhaps the \$15,000,000, 000 decline in stock values, in 1929, seemed merely to be something for "Wall Street" to worry about, and did not then suggest the economic and social changes that were to come. . . .

But 54 years of newspapering bring a certain perspective. And sitting there on his old case-stool Bill Comes may have seen more of the world than many who have traveled, and may have found that the world's problems will be more quickly solved if everyone were to stick to his job and mind his own business.

The *News* has minded its own business. It has stayed for 54 years in the control of the same Scudder family. Refusing to be awed or distracted by the greatness and the complexities of New York City, it has concerned itself primarily with the problems and the development of Newark and Northern New Jersey. It has helped to develop Newark industries and the Newark market.

Cooperative Buys Big Newspaper Space

The Evansville, Ind., Cooperative League is buying weekly full pages in the Evansville *Press* to educate citizens on the plans and policies of the League. Those who see "red" in the cooperative movement will find reassurance in these pages, which are made up largely of articles clipped from private profit magazines like *Liberty*, and the radio arguments of W. J. Cameron of the Ford Motor Co.

Photoplay Promotes New Format

Curtis J. Harrison, advertising manager of *Photoplay*, utilized many vehicles last week to introduce the magazine's new large size. A congratulatory wire from Joan Crawford was reproduced in miniature size and distributed by *Liberty* carriers to the tune of a million copies; a jumbo wire will be on display in 3,500 Western Union offices for ten days; and a giant reproduction of the wire will appear on the sides of trucks owned by the magazine wholesalers who distribute Macfadden Publica-



All Star Cast: Newark *News* executives look over "Comes Edition—54 Star." Left to right: Publisher Edward W. Scudder, Pioneer William W. Comes, Editor Arthur J. Sinnott, General Manager Benjamin J. Foley.



.. GO TO YOUR GROCER'S TOMORROW....

YES, most every housewife who hears your radio program will do as you say—go to the grocer's tomorrow. But will they remember you when they get there?

Housewives are pretty busy people. When tomorrow comes, they have meals to get, babies to bathe, laundry to do, other stores to call at. There is a long journey between your radio advertisement and the few crucial moments when housewives are in the store buying.

That's why doing a selling job on the grocer, too, is so important. He can make your advertising more effective by giving you the support you need in the grocery store. Simply by giving your product good display so housewives see it and are reminded of it, the grocer can increase its sale 20 to 50 per cent. Through suggestive selling and many other means which the grocer has at his disposal he can do a great deal more.

Through *The Progressive Grocer* you can reach the 75,000 leading grocers in the United States. These grocers influence the food buying of more than 15,000,000 housewives who trade at their stores.

Advertise to these grocers. Gain their good will and active support. They can do a selling job for you when it will do you the most good—in the store when the buying is being done.

THE PROGRESSIVE GROCER
Butterick Bldg., New York • Mallers Bldg., Chicago • Hobart Bldg., San Francisco

tions. Florists of the country are tying-in because of the chrysanthemums on the *Photoplay* cover and a flower-wiring angle in the Crawford telegram. A special poster featuring chrysanthemums and *Photoplay* is in florists' windows. MGM is worked into the tie-up because Joan Crawford, whose picture appears on the cover, is one of their stars and they are exploiting the *Photoplay* cover in all of their theatres. In addition to these tie-ups, there are house advertisements in Macfadden magazines having 8,000,000 circulation, a plug on the many Macfadden radio programs, a newspaper publicity campaign and cash and other prizes to field men, wholesalers and florists, and dealer circulars by Macfadden wholesalers.

Fawcett's New Promotion Angle

Currently the Fawcett Publications are sponsoring a \$500 cash award recipe-naming contest. Readers are asked to submit a name for the main course mystery recipe and also to include the names of nationally advertised food products they would serve with it to make up a complete, well balanced meal. . . . What makes the contest news-worthy is the further suggestion, "such products are advertised in this magazine, newspapers and other maga-



GET DOWN TO BUSINESS AWAY FROM BUSINESS DISTRACTIONS

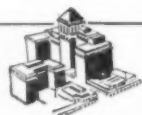


These hotels are accessible, yet free from city hubbub. Quiet meeting rooms. Restful Ocean Decks. Refreshing food. A perfect set-up for a business conference. Special group rates.

LEEDS AND LIPPINCOTT COMPANY

CHALFONTE -
HADDON HALL

ATLANTIC CITY



James A. Welch, advertising director of the Crowell Publishing Co., has been elected a vice-president and director.

zines." This is believed to be the first time on record where one publisher has plugged the advertising columns of his competitors. [EDITOR'S NOTE: Aren't radio and billboards competitors?]

No August Slump for Radio

NBC's August business was better by 2.9% than July—one of the first increases of the kind since the inception of radio. The dollar network gain was 15% over August of last year.

Columbia's August time sales soared to 58.6% over the same 1936 month.

Any More Picture Magazines?

According to rumor, practically every publisher of a consumer magazine is about to bring out a picture magazine. None of the rumors are confirmed and few ever will be. The nearest to a substantiation of any of the rumors comes in the announcement that J. Stirling Getchell is working for the Popular Science Publishing Co. in the preparation of a format for a pictorial presentation of a new magazine "which may be published at some later date." Mr. Getchell, who makes lavish use of pictures for the advertising of his clients, counselled with some of the other publishers who have launched picture magazines.

About Media and Its Personnel

W. L. Benson, who for four years has been editor of Crane & Co.'s *Home Desirable* magazine, has joined the Des Moines editorial staff of *Better Homes & Gardens*. . . . Today Fillmore Hyde, formerly associated with *News-Week* and *The New Yorker*, becomes Editor of *Cue*. . . . Joseph J. Klein, recently associate advertising manager of the Celotex Corp., is now head of research of *Building Supply News*. . . . George W. Kable has been appointed editor of *Electricity on the Farm*, a Case-Shepperd-Mann magazine.

Hardware Trade Journal, Kansas City, changes its name effective with the October issue, to *Farm-Town Hardware*. Change in name and editorial policy is designed to point the publication definitely at the big market centering in farm towns. . . . A. E. Delgado, recently sales manager of the Ray Air Conditioning Corp., has joined the Chicago advertising staff of *Air Conditioning combined with Oil Heat*. . . . Howard L. Clark has resigned as managing editor of the *Manufacturers Record* to enter the publicity field in Elmira, N. Y. . . . *Dress Accessories* and *Linens & Cosmetics*, two of the Haire business publica-

tions, have been admitted to membership in the ABP.

William Hutton, formerly Detroit manager of the Crowell Publishing Co., has been made eastern advertising manager of the *Farm Journal* with headquarters in New York. . . . Domestic Engineering Publications have announced a new magazine in tabloid size, called *Institutions*, which will cover problems common to all types of institutions. . . . Hal D. Ely has joined the New York sales staff of *The Family Circle*. Starting September 10 *The Family Circle* will begin publication of a weekly chain store manager's bulletin.

Effective with the coming November issue, *McCall's* will accept half page advertisements in black and one color, an innovation for this magazine. . . . The Branham Co. has been appointed national representative for radio station WMC, Memphis.

Agency Notes

Arthur Andrews, executive vice-president of Young & Rubicam, Inc., in addition to his present duties will head all contact activities, and Donald D. Stauffer has been made a vice-president of that agency. . . . Clyde A. Fellows is now an account executive with Ketchum, MacLeod & Grove, Inc. . . . Jack Knabb, up to the present time vice-president of Stewart, Hanford & Frohman, Inc. has opened his own agency under the name of Jack Knabb Advertising Co., in Rochester.

Appointments of the fortnight include: Educators Beneficial Association and Educators Mutual Accident & Health Association, Lancaster, Pa., to Jerome B. Grey & Co., Philadelphia. . . . News-Week, Inc., to Tracy-Locke-Dawson, Inc. Paul Cornell will act as publishing and advertising consultant for *News-Week*. . . . Russell Mfg. Co., Middletown, Conn., has appointed the Federated Sales Service, Inc., Boston, to help them introduce a new type of garden hose to hardware and department store fields.

Carolene Products Co., Letchfield, Ill., has appointed Henri, Hurst & McDonald, Inc., to handle its new patented milk food product, Milnut. . . . Wm. B. Remington,



Minneapolis *Star* Parodies Old Gold: With apologies to P. Lorillard & Co., the Minneapolis *Star* announces a new, bigger and better cartoon contest modeled after the current Old Gold contest. The contest is directed to advertisers and agencies and prizes offered are tickets and expenses to the Minnesota-Notre Dame and Minnesota-Nebraska football games. Above is a typical cartoon. Recipients of the mailing piece were, of course, offered many helpful suggestions for the open spaces in the balloons.



This is the way the architects see the one million dollar broadcasting center in process of execution for the Crosley Radio Corp. The structure will be devoted exclusively to the activities of stations WLW and WSAI.

Inc., Springfield, Mass., has been made advertising agent for the H. L. Judd Co., Wallingford, Conn. . . . Eastern Wine Corp., New York, has appointed Albert Frank-Guenther Law, Inc., to handle its trade paper, radio, direct mail, car card and outdoor advertising. . . . The Ritz-Carlton of Atlantic City, has appointed the Dorland Advertising Agency, Atlantic City. . . .

Mutual Broadcasting System goes to George Bijur, Inc. . . . Windsor Distributors, Inc., New York, manufacturers of Windsor All Lead pencils to Charles J. Cutajar, New York. . . . K. Taylor Distilling Co., Inc., Frankfort, Ky., to the Grey Advertising Agency, Inc., New York, to direct their expanded advertising and sales promotion activities. . . . Crepe de Chine perfume account to the deGarmo Corporation, New York. . . . Nicoll & Co., San Francisco, woodenware manufacturers, to Gerth-Knollin Advertising Agency, San Francisco.

Advertising of Community Plate of Oneida, Ltd., will be handled by BBDO, New York; Helena Rubinstein, Inc., by The Raymond Levy Organization;—Foreign advertising of Parker Pen Co. for 1938 by H. N. Elterich, Inc. . . . Lord & Thomas, New York, will handle the new radio campaign of the Consolidated Edison Co. of New York.

Week-End, New Sunday Magazine, Starts Feb. 6

A new rotogravure, tabloid-size magazine section for Saturday and Sunday newspapers is scheduled to appear February 6. It will be *Week-End*, published by Simda Publishing Corp., New York, a house headed by Dr. Kurt Simon, who came to this country after a distinguished record as publisher of *Frankfurter Zeitung* and who has already started other publishing properties here. With Dr. Simon on *Week-End* are Richard Davis, secretary and art editor, and Joseph M. Hopkins, advertising director. Mr. Hopkins has had long advertising experience as general manager of *Review of Reviews* and on *The American Weekly*.

Week-End expects to start with principal city newspapers totaling at least 1,500,000 circulation. Its editorial character, according to Mr. Hopkins, will give it a different appeal than that of either *This Week* or *The American Weekly*—"More glamorous and human than *This Week*; less sensational than *The American Weekly*." It will carry humor, radio and screen material

and fiction. Arrangements have already been made to secure articles and stories by such big names as Booth Tarkington, Stephen Leacock, Ogden Nash, Irvin S. Cobb, Octavus Roy Cohen, Alexander Woolcott, Fanny Hurst, and so on. It will aim to be more appealing to the eye than any existing Sunday supplement, using a striking format, unusual art treatment and four four-color inside editorial pages.

Dummies have been shown to a good many national advertisers. As soon as a few more contracts with newspapers have been signed, advertising space in *Week-End's* 1,000-line pages will be offered at approximately \$3 per milline.

Marketing Flashes

(Continued from page 27)

the third color now starts coming in. Practically every known color is produced in the complete cycle."

Lockwood declares that Color-Blend

cuts current consumption one-third. "This saving alone will induce many business men to change electric signs, store and window displays, interior lighting." Other uses include convention exhibits, theatre marquees, cafes, outdoor spectacles; in fact, anywhere that electricity is employed Color-Blend's rainbow will add diversity and beauty.

Appointed to—

I. B. Van Houten, former ad mgr. of Raybestos Co., will fill the same post for Manning, Maxwell & Moore, Inc., Bridgeport, Conn., for all four divisions: Consolidated Safety Valves, American Schaeffer & Budenberg Instruments, Ashcroft Gauges, and Hancock Valves.

G. Kingdon Lowe, ad mgr. and art director of D. M. Watkins Co., Providence, has become sales promotion mgr. of Rueckert Mfg. Co., of the same city.

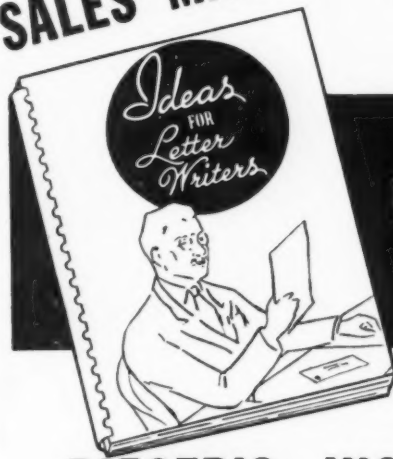
Fred C. Williams, who has three and a half years' service stripes with the Detroit office of Campbell-Ewald Co., moves to asst. ad managership of Nash Motors. At the same time the Nash division of N-K Corp. creates the post of director of used car sales and puts Jack H. Morgan in it. He was formerly Nash district mgr. in the Boston area.

Fruity Promotion Piece

A juicy orange in a box, labeled "A juicy opportunity for Mr." was used this month by *Electrical Contracting* to promote its October convention issue which comes out at the time of the National Electrical Contractors Association Convention. Oranges were mailed to advertising prospects everywhere.

SALES MANAGERS...

This Book was written for you



IDEAS FOR LETTERWRITERS

By GUY W. BATTLES

\$2.00

A practical handbook covering every phase of sales letter and mail advertising practice from creation to mailing. Invaluable to executives responsible for the planning and direction of effective letters and resultful mail advertising.

RIEGER'S, INC.

911 COMMONWEALTH ANNEX . . . PITTSBURGH, PA.

Send remittance by check or money order

Owens-Illinois Sponsors Color Film on Applied Color Lettering

THE Owens-Illinois Glass Co. has just completed what has been called the finest and most costly slide film ever made. Produced by the Jam Handy Picture Service, of Detroit, it is the first 35 mm. slide film, in full technicolor, with sound, so far manufactured.

The reason for the departure from ordinary black and white is that it was desired to picture, to best advantage, the story of Applied Color Lettering on bottles. In this process, called by the trade "ACL," the labels are burned into the bottles in ceramic colors and so are permanent.

In seeking to present it to the audiences desired the company realized at the outset that it had to do something different. The desired audiences are conventions of local, state or national beverage manufacturers and dealers. The problem was how to get the slide film welcomed to these group meetings.

It was solved by preparing a picture which has, as its main motif, the better ways to sell more beverages. It

is built around a fictitious drink, Zippo, and salesmen are shown at a sales meeting telling how they have accomplished sales results.

One salesman tells how he wins the good will and friendship of distributors in stores and soft drink parlors by drinking a bottle of Zippo with the proprietor. He always pays for the drinks. As they drink he tells the story of Zippo and praises its goodness.

Another tells how he took an uninterested dealer in hand and convinced him that he would sell much more Zippo if he put the standard cooler just outside his door so that persons walking by could see it. The dealer fears it will use "too much ice" out in the sunlight but is convinced, after a trial, that the point is not to save ice but to sell Zippo.

A third demonstrates the various means he employs to get the dealer to permit him to build window displays of Zippo and Zippo advertising matter. When the dealer resists he talks margin of profit, quick turnover, etc.

Typical windows, neatly decorated, are shown.

Other arguments used in the picture are: "Sixty per cent of all beverage sales are impulse sales," and "You have to be a showman."

The current film is the climax of four years of experimental work. Three and four years ago ordinary black and white films were used. One was "Service Wins" and the other, "Dealing with Your Dealers." Last year the film was "Cashing in on Color." This was an ordinary film, hand colored.

To color it the artist used a brush with three hairs in it and pens so fine that they had to be manufactured to order. Coloring a 35 mm. "frame" is a job that has to be done with utmost care under a microscope. When the first film was colored an official of the company said to the girl artist who did the job:

"But that bottle of olives—the olives were stuffed."

She went to work and dotted the olives, small as grains of sand, with specks of red.

The new technicolor process, besides getting true colors, obviates the soul-trying job of hand coloring and results in an incomparably better achievement.

Acceptance of the picture by conventions and groups depends upon the value of the message. For that reason almost all of the picture is devoted to better sales methods. "ACL," or Applied Color Lettering, is not mentioned at all until the final frames. The picture is entitled, "Get Your Share." Illustrative equipment is used.

EXCUSE OUR DUST

Recent visitors to Akron's business section have complained of the many sidewalk detours made necessary by new building. We have asked them to be patient and to take the dust as a good omen. We knew the old outmoded buildings which occupied these many places and we know the new jewelry store, shoe stores, two new theatres, restaurants, drug store, furniture store, etc., will put a new and better face on our Main Street.

We don't like the dust, but we do like the significance of all this bustle and building.

Akron is just a little proud of the DUST.

Complete economical coverage of this alert free-spending market is available through the

Akron Beacon Journal

One of America's Outstanding Newspapers

Represented by Story, Brooks and Finley

Walker Plugs Suppliers in Ads for Mixed Drinks

Hiram Walker & Sons, Peoria, after four years of experimenting, places a line of liqueurs, cordials, and ready-to-drink cocktails on the market. Trade paper ads, by Fletcher & Ellis agency, New York, are paving the way, and consumer copy is to follow.

A survey showed that Americans are buying almost 30% more prepared cocktails in recent months than in the past. So Walker sends four kinds into the sales arena: Manhattan, Old Fashioned, Martini, and Side Car. All contain nationally known ingredients. In the Manhattan, for instance, Martini & Rossi vermouth and Angostura bitters are used. Special bottle neck labels and prominent mention in ad copy will harp on these famous ingredients. Walker hides no lights under a bushel, believes in the good neighbor policy.

SALES MANAGEMENT

“Let's go TO THE MOVIES...”



More people go to the movies during the winter months than at any other time . . . and modern outdoor advertising greets them with *your* business message wherever and whenever they go. Arresting their attention . . . creating a desire to buy . . . opening their pocket-books for the benefit of *your* product! There is no "closed season" today on human travel—human wants—or human response to advertising appeal. That is why we say, "Now is the time to plan the use of outdoor advertising for January as you planned for May!" Write for our interesting booklet, "You Will Love Me in December," describing the modern trend in outdoor advertising.

OUTDOOR ADVERTISING INCORPORATED

60 EAST 42nd STREET—NEW YORK

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CLEVELAND • DETROIT • HOUSTON
PHILADELPHIA • ST. LOUIS • LOS ANGELES • SAN FRANCISCO

SEPTEMBER 15, 1937

[79]

Good Business Papers Build Better Business..

The collage features numerous advertisements and newspaper clippings, including:

- Willys**: "50,000 Willys in 6 months", "Willys Spraytex", "Willys Diesel".
- Auto-Lite**: "Auto-Lite Spark Plugs", "Auto-Lite Spark Plugs".
- Libb's Safety**: "Libb's Safety".
- Chromaxide**: "Chromaxide".
- Quietmax**: "Quietmax".
- May Oil Burner**: "May Oil Burner".
- Northwind**: "Northwind".
- 50,000 Willys**: "50,000 Willys in 6 months".
- Libb's Safety**: "Libb's Safety".
- Auto-Lite**: "Auto-Lite Spark Plugs".
- Garrett & Company, Inc.**: "Garrett & Company, Inc.".
- Willys**: "Willys".
- Auto-Lite**: "Auto-Lite Spark Plugs".
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- Auto-Lite**: "Auto-Lite Spark Plugs".
- Garrett & Company, Inc.**: "Garrett & Company, Inc.".

No. 19

AMERICAN BUILDER and BUILDING AGE, Chicago
 BAKERS WEEKLY, New York
 BLAST FURNACE and STEEL PLANT, Pittsburgh
 BOOT and SHOE RECORDER, New York
 BUILDING SUPPLY NEWS, Chicago
 CHEMICAL & METALLURGICAL ENGINEERING, New York
 COAL AGE, New York

FOOD INDUSTRIES, New York
 THE FOUNDRY, Cleveland
 HOTEL MANAGEMENT, New York
 THE IRON AGE, New York
 THE JEWELRY CIRCULAR-KEYSTONE, New York
 LAUNDRY AGE, New York
 MACHINE DESIGN, Cleveland

MACHINE DESIGN, Cleveland
 NATIONAL
 THE NATION
 THE PAPER
 POWER, New
 RAILWAY
 SALES MAN
 STEEL, Cleveland

A series of documents
 BUSINESS PAPER
 prepared by adv
 ing experience in
 sponsored by the

That's why we prepared 1755 Business Paper advertisements for our clients last year

Every business paper advertisement we place is planned to pave the way for the sales organizations of our clients. These printed salesmen are designed to follow a smooth, straight road to the right man—telling him the manufacturer's story clearly and convincingly.

Whether the problem is to announce a new product—present technical information—offer sales material—obtain new dealers—or just plain "sell the product"—carefully prepared business paper messages effectively supplement the sales organization.

Our experience in many fields of selling has convinced us that good business papers build better business.

Ward M. Canada
PRESIDENT

UNITED STATES ADVERTISING
CORPORATION

TOLEDO • NEW YORK • CHICAGO • BALTIMORE



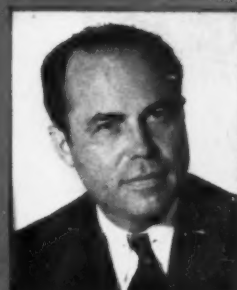
WARD M. CANADAY
President



EDWARD E. WADE
Vice President, Toledo



CHESTER H. McCALL
Vice President, New York



JAMES C. EWELL
Vice President, Chicago



... of attention of TYPICAL JOBS GOOD
... PAPER ADVERTISING HAS DONE ...
... ed by advertising agencies with outstand-
... experience in the use of business papers ...
... ed by the leading business papers:

CHICAGO, New York
NATIONAL PETROLEUM NEWS, Cleveland
NATIONAL PROVISIONER, Chicago
PAPER INDUSTRY, Chicago
WEBER, New York
HILWAY AGE, New York
LES MANAGEMENT, New York
EL, Cleveland



SALES LETTERS

BY MAXWELL DROKE

Sure Way to Invite Trouble If You Haven't Enough Now

One of my good industrial friends has just sent me a copy of a questionnaire which he proposes sending to his sales representatives, and has asked that I give him my opinion. My opinion is that it would be much wiser to junk the whole lot, and forget the idea. Not that there is anything particularly wrong with this special questionnaire. On the whole, it is a very capable job. But it deals with advertising plans and policies. And as a seared and seasoned veteran I can think of few things



Maxwell Droke

that hold more potential power for mischief than a questionnaire on advertising directed to the sales force. Most emphatically I do not believe in seeking the opinions of salesmen on matters involving advertising and merchandising policy. They do not have the background, specialized experience or data upon which to base sound judgments. In this matter of advertising they operate on prejudices and hunches. Yet every salesman likes to feel that he is an advertising expert. Goodness knows the average advertising manager runs into enough trouble trying to placate salesmen anyhow, without extending an engraved invitation. In sending a questionnaire he is not merely sticking out his neck; he is labeling it "Wipe Feet Here."

We All Like to Criticize Even if We Are Ignorant

A salesman's business is to *sell*. He isn't supposed to know anything about advertising. But as I said up-page awhile ago, he likes to *feel* that he is an authority. Ask a salesman's opinion on an advertising policy and he will give you the first wild hunch that occurs to him, and then be deeply resentful if you fail to act upon it. In this instance, for example, the questionnaire asks such questions as:

"What theme in our advertising copy do you consider most effective?"

"Should we run more ads or fewer large ones?"

"Which magazines in the following list do you consider most effective?"

These things are distinctly not within the province of the average salesman. The correct answers involve factors to which he cannot possibly have access. As a matter of fact, even experts may well hold varying opinions. So why, for gosh's sake, complicate matters further by dragging in

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

the sales force? You cannot, in any case, hope to get a unanimous opinion from your salesmen. Which means that a portion of them are going to be miffed and thus disposed to scoff at the program that is eventually presented.

And after all, what is an advertising department for if it is not to determine policies and outline programs for the organization? To pass the buck to salesmen is an admission of weakness and uncertainty, which is certain to be reflected in loss of prestige in those important sectors. If the sales force is called upon to do the advertising man's work, how can they entertain a very high opinion of his sagacity? The only sound policy, as I see it, is for the advertising department to prepare what they feel is the *right* program, and then direct all their efforts toward selling this program to salesmen and distributors.

A Rattling Good Letter With a Handful of Chuckles in It

My congratulations to the Hotel Stevens, Chicago's Gargantuan hostelry, on a pleasant bit of spoofery—their tenth anniversary letter. Pen-written, on hotel stationery, in a childish scrawl, it is, I think, quite likely to draw an appreciative smile:

"Dear Uncle:

"I am going to have a birthday. I will be 10 years old May 2. I am well and hope you are the same. There is lots of news since I had my first birthday.

"It seems I was too big when I was born, a White elephant or hipomus or something.

"Lots has happened since I was born. We had something in Chicago that was called the Crash. It was because people thought the United States of America was on a new high plattow. But it wasn't.

"People hid their money in any old sox, if they had any sox left. The banks got shut up if they was not kind enough to get shut up of their own accord, and lots was. If you had money that was gold you could go to jail for it. Lots of people did not have to go to jail.

"We had a NRA down here, and an AAA, and a o what the heck, Uncle, I can't spell them all.

"There was a World's Fair right across the street by the lake. It was terrible the Fair had to run to two years to capacity instead of only one.

"We went and got a new president of the United States but he didn't fix things like there was before the crash. He was different.

"People who didn't have money to ride on trains had to ride on streamlined trains, and got ridden faster than ever before.

"There was a war 'in Etthupia and Uncle Tom lost his cabin.

"We had another election for president of the United States of America to throw the other out. But he got a mandrake. Now he wants taxes.

"I heard Mr. Eitel, my boss, say, 'You can't get customers with the room clerks Elmer's swell smile any more. You gotto give value' an he's doing it.

"Now I'm called 'The Great Stevens!' Yes, that's me, the largest hotel in the world.

"What a 10 years, Uncle, what a ten years! But, gee! Think of days when they had *stand-up* strikes, instead of dizzy sit downs, and we didn't have no airoplanes, an had to breath raw air!

"No foolishness about birthday cakes and presents. 10 years is to old for that kid stuff. If I did get a present I wish it was you and Auntie Dear comin to see me.

"Your loving nephew,
"STEVE."

Pu-lease, I'll Be a Critic, But Not a Crutch

Kind customers, may I be permitted a word of explanation, in self-defense. For many years this page has been decorated by a banner of chaste design, announcing to all and sundry our willingness, nay even eagerness, to criticize the letters and direct-mail offerings of subscribers, without money and without price. That offer still stands. But please note that this is a criticism and not a *creative* service. We cannot undertake to (a) write or re-write your letter for you; (b) give merchandising counsel; (c) suggest sales appeals or arguments for you to use. If we were to do any or all of these things we would place ourselves in direct competition with the able counselors who use our advertising columns from time to time. And, besides, we never would get on with our work.

My good friend W. A. McDermid writes to remind me that it was Rochefoucauld (and not Horace Greeley) who apologized for a long letter with the explanation that he had no time to write a short one. Well, at any rate as Elbert Hubbard used to say (I *hope* I'm right on this one!) "It's the sort of thing Greeley would have said, if only he had thought of it."

Burton Bigelow used to have (and being an unregenerate soul, probably still has) a plan of crediting every doubtful quotation to Socrates, on the theory that if anyone encountered it credited to a later writer, the natural assumption would be that the scribe in question had pilfered it from the Grecian philosopher. I am beginning to appreciate his sagacity.

SALES MANAGEMENT



Welcome Wagons Will Distribute Samples of Advertised Goods

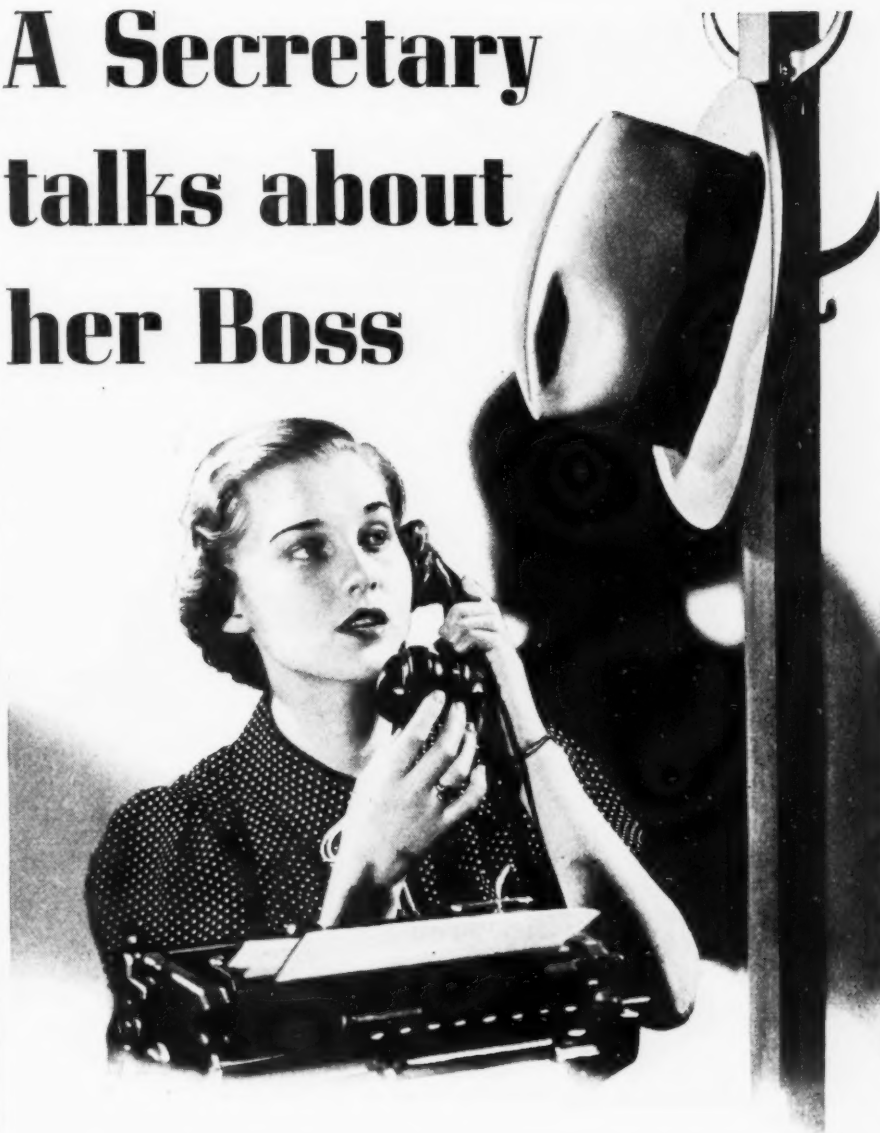
For some nine years housewives moving into Atlanta, Ga., or Hartford, Conn., or any of the other 250 cities serviced by Welcome Wagon Service Co., have been cordially greeted by a Welcome Wagon "hostess" bearing letters of welcome from the mayor and Chamber of Commerce, a two weeks' subscription to the local newspaper and a basket of foodstuffs and other products from local merchants.

This week Welcome Wagon Service Co. extends its distributional facilities to national advertisers. Hereafter when a Welcome Wagon hostess enters the home of a newcomer in a community she will carry with her not only products from local merchants but a packet of ten nationally advertised "selected and approved" toilet goods. Neatly done up in a glassine envelope, Welcome Wagon's "Hostess Packet" will contain, in trial sizes, a dentifrice, face powder, face creams, soap, shaving cream, etc., and a promotional booklet describing the use of each product in the package. To further the newcomers' interest in the ten packeted products Welcome Wagon will conduct a contest each month, offering prizes totaling \$100 to the 12 consumers writing "best letters" about products in the packet.

The Welcome Wagon greeting service had its beginning in 1928, in Memphis, Tenn., "the heart of hospitality," and grew from Thomas W. Briggs' idea of making money out of an old southern custom—that of paying a neighborly call to a stranger who moves into a community. Since its birth, Welcome Wagon Service Co. has expanded rapidly until it now serves more than 250 cities from coast to coast in the United States and Canada. Each community has its own hostess (in some cases there are two to a city), who is supervised by a district organization, in turn is supervised by the national organization with headquarters in New York. At present Welcome Wagon hostesses total over 100,000 calls annually, service more than 4,000 local merchants, including drug stores, grocery stores, newspapers, department stores, etc., who pay \$1.25 for every new resident called on.

A call on a new resident may include everything from enlightening the newcomer on schools, churches, hospitals, etc., to turning on the gas and securing a man to mow the lawn.

A Secretary talks about her Boss



"I'm a good secretary to him and he knows it. But I do wish he weren't so old-fashioned. He's not an old-fogey, really. As a matter of fact, he's real nice looking. But I know what those wrinkles creeping around his eyes are from. *He* thinks it's hard work. I know it's because he does some things two or three times when he could get them done at once.

"Take the correspondence, for instance. He reads the letters when they come in—puts them to one side to answer later—all in a bunch. If he had an Ediphone at his elbow, he'd just pick up the receiver and answer right away — no different than using his telephone.

"Of course, I'm not complaining...much, I mean. He *means* to get his dictation done before he leaves the office at noon. But he seldom does. And there *I* am explaining to the boy-friend why I'm late again. And he doesn't get to his golf game after all—or he misses seeing that

important customer he *surely* meant to see that afternoon.

"Really, I think he's awfully foolish. He's letting detail ride him too hard. He and I could both get lots more done if he'd adopt Ediphone Voice Writing. He'd have a better job. And so would I."

An Ediphone permits you to handle instructions, memos, inquiries, letters, reminder-dates, the minute you *think* about them...increases your personal business capacity 20% to 50%. For every activity where "your voice points the way," use an Ediphone. Investigate! For details telephone the Ediphone, your city, or write Dept. S 37, Thomas A. Edison, Inc., West Orange, New Jersey.

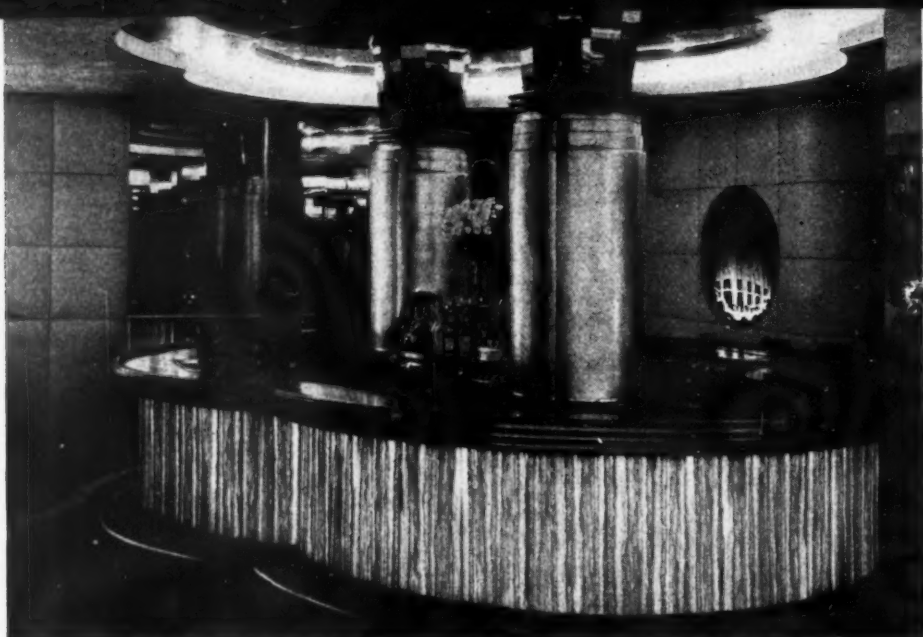
VOICE-WRITE WITH THE
Ediphone

The Edison Invention for Business

PREFERENCE FOR EDIPHONE PERSISTS



1



Designing to Sell

1. Luminous Marble: The New York Piccadilly Hotel cocktail bar is finished in Lumar, a processed luminous marble developed by Vermont Marble Co., Proctor, Vt., the Mellon Institute of Industrial Research, and Prof. G. W. Bain, geologist. Other Lumar installations are being made in hotels, churches and store fronts.

2. Harmonizer: RCA Victor's newest upright radio, one of 43 models, has space for books underneath. While the cabinet is slightly modernistic in appearance, it will harmonize with almost any type of furniture. It is one item in the campaign which the radio industry is waging to replace old-style sets, some of them of exceedingly ancient vintage, with up-to-date styles—*a la* the auto industry.

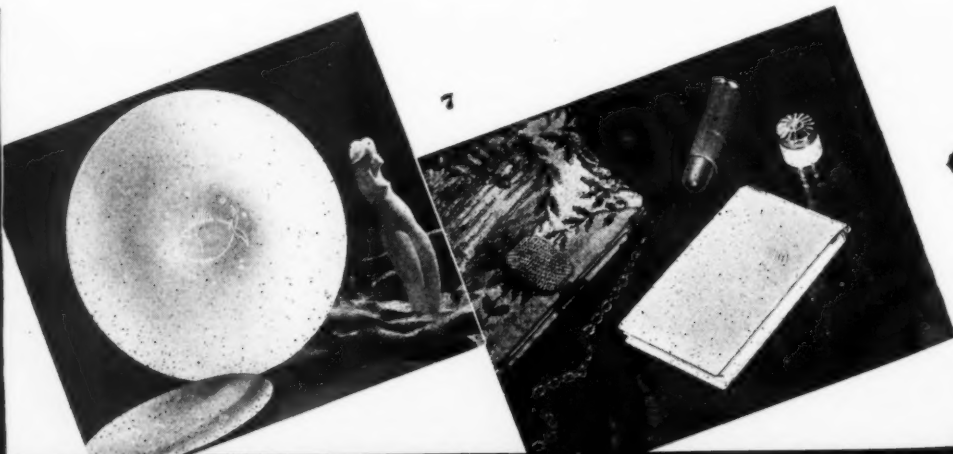
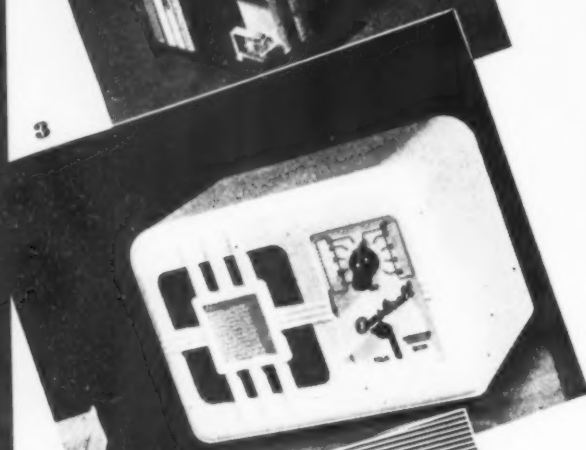
3. Ivory Beetle: Fada Radio Co. puts its compact set in a cabinet of ivory Beetle (Beetle Products division of American Cyanamid Co.) and thereby achieves a sleek appearance, chip- and wear-proof durability.

4. Coronet: The day when "mail order merchandise" was a term of reproach is long past. For proof, here's Sears, Roebuck's Coronet five-tube superheterodyne radio. Molded in one piece of black Durez (from General Plastics, Inc.) by American Insulator Corp., it has a contrasting light-colored grille cloth and translucent molded dial. Long- and short-wave reception are provided.

5. Smoothie Scale: "In entering the scale field," says Jack Griffith, sales manager of Steiner Products division of Allied Store Utilities Co., St. Louis, "our first thought, aside from the accepted factor of mechanical efficiency, was that if we were to attain profitable volume we must have a scale with eye-appeal, yet different from what dealers and the public are accustomed to." Designers for Industry, Inc., Cleveland, did the job. The hang-over platter not only carries out the streamline effect, but protects the scale base against splashing. All screws and metal parts are eliminated. Computation indicator is divided into two colors to facilitate accurate reading. "Sales have exceeded our fondest expectations."

6. Room Cooler: Norge division of Borg-Warner Corp., Detroit, presents this portable air conditioner for homes and offices where central air conditioning systems are unavailable. Beneath the heavy steel cabinet, finished in two shades of walnut, is a unit that delivers 200 cubic feet a minute of cooled, dehumidified, and clean air. No drain connection is necessary; moisture removed by the cooling unit is drained into a water tank and evaporated.

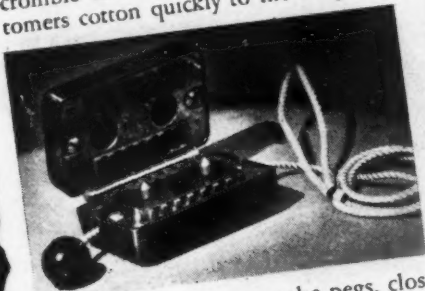
7. Stainless: Kensington, Inc., brings out a pair of novelties in shining Kensington metal. Left: A platter that holds cocktail tid-bits, fruit, or flowers. Often it will serve as a decorative plaque. At right: A booklet holding lipstick tissues, that slips into a purse, and never tarnishes. Tissue refills cost only a trifle, the holder itself costs \$1.



"In the News" means "In Demand"

New Products—

PRELIMINARY to going after national distribution, Blade Master, Inc., 551 Fifth Ave., New York, is subjecting its "Blade Master" sharpener for Gillette type razor blades to a comprehensive sales test over the counters of Abercrombie & Fitch Co., New York. Customers cotton quickly to the simplicity



of slipping a blade over the pegs, closing the BAKELITE case, hanging the looped end of the cord over some convenient hook, and moving the case back and forth along the cord to achieve quick keenness. Three little gears deep in the case give the blade an elliptical motion against serrated hones when duly massaged by the cord.

BUSINESS WEEK



That's why the BAKELITE name aids in selling

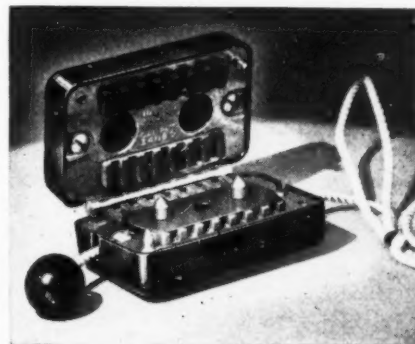
BECAUSE Bakelite Materials are so widely and favorably known to the public, manufactured products described as "made of Bakelite Materials" gain added attention in the product-news columns of publications. The recognized high quality of the material reflects *quality* in the product... contributes genuine news value... and helps to create consumer-acceptance.

This publicity value attached to the mention of Bakelite Materials, supplements the very real practical advantages of the materials themselves. Bakelite Molded, for example, is strong, durable, heat and moisture resistant, and possesses

a rich lustrous color and finish that remain through years of constant service. Frequently, by eliminating finishing operations and simplifying design and assembly, it provides substantial economies.

Bakelite Molded is available in black, brown and a variety of attractive colors; and in different types to meet special service conditions. Other Bakelite Materials with important advantages for product design, include laminated stock, cast resinoids, special cements, varnishes and lacquers. To learn more about their possible benefits to your products and product-marketing, write for our interesting illustrated book-

lets 26M, "Bakelite Molded" and 26L, "Bakelite Laminated".



The lustrous Bakelite Molded case of the new "Blade Master" sharpener withstands moisture, soapsuds and long use. Product of Blade Master, Inc., New York, N. Y. Molder, Specialty Insulation Co.

BAKELITE CORPORATION, 247 PARK AVENUE, NEW YORK, N. Y.
BAKELITE CORPORATION OF CANADA, LIMITED, 163 Dufferin Street, Toronto, Canada West Coast: Electrical Specialty Co., Inc., 316 Eleventh Street, San Francisco, Cal.

BAKELITE



"The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the symbol 'B' is the universal sign for safety, as indicated on the right. It symbolizes the safety number of present and future uses of Bakelite Corporation's products."

THE MATERIAL OF A THOUSAND USES



8

Designing to Sell

10



9

8. Seats That Breathe: Firestone

Tire and Rubber Co.'s new Latex whip sponge rubber cushions have millions of inter connecting air cells. They "breathe" easily, tapering off all riding ups and downs, are thus more comfortable. Further, they are fire-proof; have no metal springs to break, weaken or rip through the upholstery. Bus and rail concerns are using them for seats. Mattress and furniture makers are also specifying Latex rubber.

12. Commercial Dishwasher:

Hobart Manufacturing Co.'s former hotel, restaurant and institutional dishwashing machine was of painted galvanized iron, and it looked awkward. Egmont Arens restyled it, housing dust-collecting surfaces beneath stainless steel. Operating equipment is more efficiently integrated, too, and the length has been increased from 73 to 100 inches.

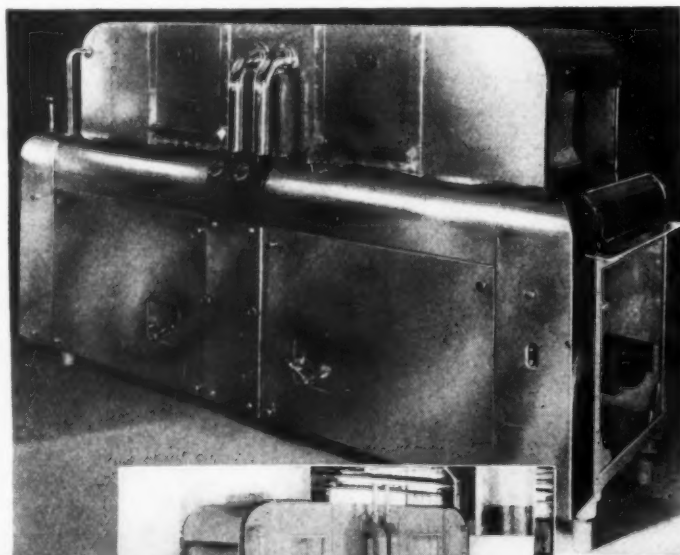
11. Tractor With Bloomers:

Purpose of the fenders is to facilitate the tractor's use in horticulture, with minimum hazard to trees and plant growth. The streamlines were evolved by Lawrence Blazey, of Designers for Industry, Inc., Cleveland, for the Cleveland Tractor Co. W. King White, Cletrac's president, reports "heaviest tractor business in years" following introduction of this streamliner.

11



10. Cotton Picker for M.D.'s: Doctors have complained about the cotton packages they have had to carry in their cases, packages that went limp and became messy. Bauer & Black comes to their aid: A cylinder of light, strong cardboard, stiffened at each end with tin end pieces, one of them a cap. Cotton is wound so that it pulls out through a small hole without breaking.



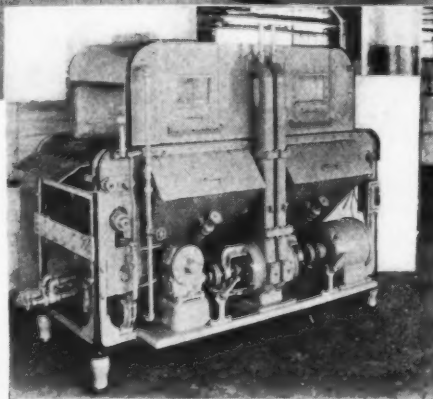
9. Ad Splash for Non-Splasher:

Bendix home clothes washer, product of Bendix Household Appliances, Inc., Bendix Aviation Corp. subsidiary, is backed with "most extensive promotional campaign ever undertaken in the home appliance field," according to J. S. Sayre, v.p. in charge of sales. Such talking points as no splashing or dripping, no exposed moving parts to endanger children, cabinet that provides an auxiliary table top, will be emphasized in double spreads in color in *S.E.P.*, *Good Housekeeping*, *Life*. Simultaneously, half- and quarter-pages, 50% of them in roto, will appear in 96 newspapers. The 3,000 dealers are to be supplied with extensive sales helps. Brooke, Smith & French, ad agency in charge, say that all washing machine space in national magazines last year totaled only eight and three-quarters pages.

13. Practical Plastics:

Colt Patent Firearms Co., Hartford, Conn., offers an eye-bath cup, with a convenient cover in assorted colors. Advantages: Compact, less likely to break than glass, priced at a dime. On right, a purse make-up kit that holds rouge, cream, powder, and eye shadow, yet is only two and a fourth inches long. Robert Gair Co. designed the counter displays to emphasize the colors of both Colt plastics.

13



12



Readers Applaud New Pictograph Section

Binders? Reprints?

"We are very favorably impressed with your new Pictograph feature and would like to be regularly provided with two reprints for our file . . . We think it would be an excellent idea if you would furnish some sort of a simple loose leaf binder for these charts, and some suitable method of indexing them . . . At all events, please put us on whatever list you set up, and bill us accordingly."

MACMILLAN CLEMENTS,
Secretary to the President,
Ludlum Steel Co.,
Watervliet, N. Y.

Gets Away from Conventional

"This is a definite contribution to the other interesting and useful features that regularly appear in SM. Certainly it is something that gets away from the *conventional charts and graphs*, and makes information easier to grasp and also more significant to a larger number of readers."

A. H. CAPERTON,
Manager, Department of Markets,
Tracy-Locke-Dawson, Inc.,
New York, N. Y.

Digests Current Conditions

"Your Marketing Pictographs have invoked many favorable comments. It certainly is an excellent method of digesting current conditions in a pictorial manner . . . You have my hearty congratulations for your progressive treatment of current market conditions."

CORY SNOW,
President,
Bennett & Snow, Inc.,
Boston, Mass.

Thumbs up High!

"I am holding my thumbs way up high for these darned good pictorial lessons of value. It is much easier to absorb quickly for use from a picture or chart than from rows upon rows of figures or data and explanations galore . . . Be sure to have more of the 'Mass Production Benefits the Consumer' style."

ALFRED C. TRUSCOTT,
The Messenger Corp.,
Akron, Ohio

Critical as the Devil

"The whole idea is elegant, and while we are critical as the devil about graphic

presentation (most of which leaves a lot to be desired), even our statistician, who is no slouch at this himself, has to admit the exceptional quality of every graph but one . . . A lot of people, ourselves included, will file these."

W. A. McDERMID,
W. A. McDermid and Associates,
New York, N. Y.

More "Man-Hours" Wanted

"I should think it would be particularly interesting to see how many man-hours it requires to purchase a given amount of food, a certain quantity of clothing, an automobile, home furnishings and many other commodities of the basic type."

BAYARD F. POPE, JR.,
Secretary,
Thornley and Jones, Inc.,
New York, N. Y.

Makes Time to Read SM

"I hope you will continue this feature . . . If the facts are available it might be of general interest to see a Pictograph showing the relative comparative incomes of workers in various lines of industry and business today compared with 1929 . . . Wishing you continued success with your fine magazine, which is one of the few I make time to read—"

G. ELLSWORTH HARRIS,
President,
Gotham Advertising Co.,
New York, N. Y.

Will Become a Hot Spot

"I do not hesitate to tell you that Marketing Pictographs will become a hot spot in your book. The idea is truly in keeping with the modern trend for facts clearly and dramatically presented . . . Information dramatized in this manner is always very keenly relished by the busy executive . . . I should like to see some Pictographs on oil burners similar to the one you have on electric refrigerators and other major household appliances. I think you are doing a swell job, and that the inclusion of Marketing Pictographs in SM is a great contribution to the book."

J. J. MARTIN,
Director of Research,
Henri, Hurst & McDonald, Inc.,
Chicago, Ill.

Will Be Most Popular

"I think your new feature will be most popular. Everyone likes to see pertinent facts graphically illustrated."

D. E. ROBINSON,
Director of Research,
Federal Advertising Agency, Inc.,
New York, N. Y.

Short But Sweet

GOOD!!!

H. MAC PHERSON,
Advertising Manager,
Cambridge Rubber Co.,
Cambridge, Mass.

They're Swell

"I think your new pictorial charts are swell! The ones I found particularly interesting were those showing fluctuations in the worth of income in terms of dollars and in terms of commodities; the chart showing employment as it is and as it should be; and the distorted map showing the U. S. A. on a payroll projection . . . As you probably know, we like these pictorial charts and we have made a few ourselves from time to time. At the moment I have no suggestions for further charts, but I shall look at them each month with real interest."

E. P. H. JAMES,
Promotion Manager,
National Broadcasting Co.,
New York, N. Y.

People Dislike Statistics

"I like very much the new Pictograph section in SALES MANAGEMENT. People like pictures but they dislike statistics. However, when you put statistics into pictures, people will enjoy looking at them. I congratulate you on the adoption of the idea."

E. J. MCCARTHY,
Director of Marketing,
Hearst Magazines, Inc.,
New York, N. Y.

We're Using Them

"Excellent! I used part of the section for our own promotion."

HARRY SINGER,
Advertising Manager,
Simplicity Publications,
New York, N. Y.

You'll Find Even Better Pictographs October 1

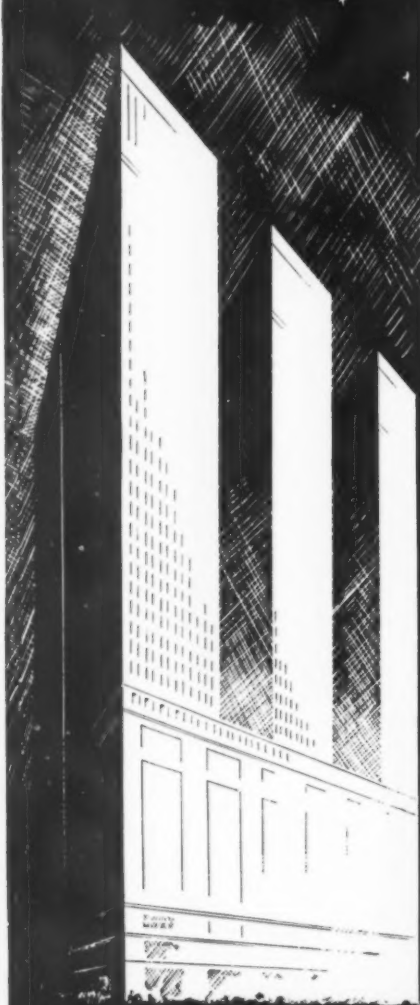
Subscribers are very flattering about the first series of Marketing Pictographs. The excerpts above are taken from a few of the letters that are coming in every mail. Requests are being received for reprints and the right to reproduce Pictographs in house organs and promotion literature. One magazine publisher just called up a minute ago to order 3,200 reprints of one of the Pictographs in the September 1 issue.

But the editors, while flattered by the response to the first series, are a bit apologetic over the praise. They believe that subscribers haven't seen anything yet! All who have seen the October 1

Pictographs agree that they are a big step forward both in subject matter and treatment.

Headliners among the ones to appear in the next issue are: How the Family Income Dollar Is Spent, by three income groups; How State Incomes Today Compare with 1929; Recovery Gains by States, as shown by new-car sales for the first six months of 1937; How Mass Production Helps the Consumer, as illustrated by tires and tubes; How 8 Drug Competitors split their 1937 Advertising Dollars; The Nation's Bill for Strikes and Lockouts; Faster Turn-over of Advertised Brands Make Them More Profitable than Private Brands.

Experienced Travelers
Make It a Practice
to Stop at
This Famous Hotel



Year Around Air-Conditioned
Rooms for Your Comfort

All Public Rooms and a
limited number of guest rooms
are now healthfully air-conditioned.

**PALMER
HOUSE**

STATE STREET AT MONROE
CHICAGO

★
New York Office, Chanin Bldg.
Edward T. Lawless, Manager

Does It Pay to Support a Sales Managers Club? Milwaukee Says "Yes!"

Ever since 1921 sales executives in the Milwaukee area have been working together in a profitable exchange of ideas about selling. Today the club, operating on the "closed membership" plan, has a waiting list.

SEVEN men met one evening in September, 1921, and organized the Sales Managers Association of Milwaukee. It is still going. Today it has 150 members. Operated on the "closed membership" plan, it has an eager line of would-be members awaiting vacancies. Its success and long life seem assured.

Out of the seven founding members two remain on the roster in Milwaukee. These, both active in the organization, are Conrad A. Netzhammer, sales manager of the Northwestern Furniture Co., and A. T. Fish, sales manager of the A. J. Lindemann & Hoverson Co., manufacturers of stoves and ranges.

A representative of SM visited Mr. Netzhammer in his Milwaukee offices and found him fired with enthusiasm over the benefits that can come to a group of sales managers who will band together for their mutual welfare anywhere. He said:

Heading Off Marketing Mistakes

"We meet one evening each month throughout the year, except in July and August, and exchange experiences, discuss plans, go over problems, analyze conditions and investigate situations. We have kept each other up on our toes, rekindled waning enthusiasms, rescued each other from costly errors and helped to build our houses on a basis of sound business dealing.

"I recall vividly the first meeting we held after our organization. We had invited a selected group to the meeting with a view to enlarging our membership. R. D. Walschlaeger, of the American Sugar Refining Co., was in the chair. A somewhat pompous sales manager, representing a big, nationally advertised house, said:

"I've come here tonight, gentlemen, to see what you can give me. Show me and maybe I'll join."

"Mr. Walschlaeger took him down

a peg by flashing, 'We haven't anything to give you, sir. We are not sure that you qualify for membership. Unless you have something to give us we don't want you. We expect our members to *bring* ideas if they are to *get* them.'

"The visiting sales manager then said that he was preparing a nationwide sales contest, with prizes, and asked if he might lay his plan before the meeting for discussion and comment. He was given permission.

"The sales managers present, many of whom had had much experience in contests, took the plan apart paragraph by paragraph and showed him how, in light of their experiences, he was trying to do the impossible and was going into what would surely be a costly and wasteful experiment.

Round Tables Prove Popular

"The man left in a huff, never became a member—but he never put on the contest. Probably his company was saved a great deal of money. As a result of that meeting the membership grew at once to 27. We've saved others from errors, many times, but mostly they've taken it with better grace. Usually they are thankful and appreciative.

"One month we will have a speaker and the next month a round table discussion. Once each year, in July, we have a picnic, and once each year, in October, we hold a 'sample night.' On that night each member brings samples of his company's products if possible or donates a prize. These samples are put together in a basket and each member takes his basket home. At the last such meeting 3,365 articles were contributed.

"That gives all of us an intimate knowledge of the other fellow's products. Meetings are held on the evening of the third Thursday of each month. It has become a fixed custom to gather at the Milwaukee Athletic

SALES MANAGEMENT

Club and the meeting starts with a dinner.

"Dues of \$15 a year include the cost of the dinners. This means that anyone who fails to attend not only loses the benefits of the meeting but the dinner as well. There is also an initiation fee of \$5. Memberships are held in the name of the individual, not the company.

"We consider our membership carefully selected. We are interested in the success and intelligence of the man. However, a high class company invariably has a high class man in charge of its sales management.

"When we bring in an outside speaker we always try to get a good one and often pay him a liberal fee. His talk is limited to one hour. At our round table meetings three or four local sales managers may speak and their time is limited to 15 minutes.

"Usually there are certain committee reports to be made, and some other brief routine work, then a short program of entertainment, and the awarding of membership prizes. Whenever a new member is introduced it is an introduction that no one present will ever forget. Generally the introduction is made by the man who suggested him and proves his qualification for membership.

No Casual Introductions

"I recall distinctly a typical case. The new member was a modest man, a hard worker, a successful man. He had given us no information as to his record, but when his friend got up to introduce him he told how the new member had started, years before, as a clerk in a stock room.

"He said that his application to duties, his interest in his work and qualities of orderliness had won him a promotion, in time, to order clerk. Then he told how he had become a salesman and had put in 12 years on the road. Finally he had been sales manager for his company for five years. The speaker gave facts, simply, in simple words. When he was through we all had respect for our new member and felt that we knew him well.

"When the speaker sat down the modest new member asked him in an undertone, 'Where in the world did you dig up all that on me?'

"Such an introduction is very different from the usual one. We don't believe in introducing a new member with a casual, 'This is Jim, fellows. He's one of us now.' Too many organizations know a member only by his first name, forgetting his last name, and know little of his past record or what he is doing now.

"Interest in our round table meetings has become so intense that for a long time the chairman of the round table section has been calling special between-time meetings. These are usually held in the office of a member. Each member attending brings some material he has been using in his sales work and that pertains to the subject under discussion.

"This is laid out on the table and we give it a good going over. We offer suggestions. Sometimes the

member gets something very valuable out of it. Besides that, it is often a revelation as to the manifold activities of our members.

"Sometimes it has happened that a member found himself out of employment. When that has occurred we have endeavored to find him a new place. Often members tell us that they seek men. When they do we are frequently able to suggest the right man. There are so many angles to the work of our association that I can hardly see



CUT SALESMEN'S MILEAGE COSTS to 3 1/3c.

In many cases savings of one-third to one-half your present costs result when R. A. Company Leasing Plan is adopted for fleet operation.

WHAT IS OUR PLAN: By our assuming all items of service, maintenance and repairs of every kind and description, we lease nationally one or more Dodge, Plymouth and Chevrolet sedans or coaches at an annual rate so low that substantial savings are assured.

COST ANALYSIS:

	Per month
Dodge	\$47.00
Plymouth & Chevrolet	45.00
Rental cost per year based on rate of \$45.00 per month	\$540.00

Based on 24,000 miles, the average yearly mileage of salesmen and 18 miles per gallon or 1c per mile for gas..... 240.00

Average fleet cost Public Liability and Property Damage insurance 30.00

\$810.00

This total of \$810.00 divided by 24,000 miles gives you a total operating cost of .0337 cents per mile. As mileage increases, the cost per mile decreases because our rate remains standard. At 30,000 miles per year your cost would be .0290 cents per mile.

Our rate includes every item of expense incident to the operation of cars, except gasoline and Public Liability and Property Damage insurance which we do not furnish. The cost of these two items has been approximated, as above, based on our past wide experience. By adding these costs to our leasing charge we set forth what your actual cost per annum or per mile should be under our plan.

WHAT DOES OUR RATE INCLUDE: A new car every 12 months, License plates in whatever states operated. Fire, theft and collision insurance.

All repairs, mechanical or otherwise. Chains and anti-freeze. Oil and grease.

Tire repairs and replacements. Replacement of cars without any additional cost if destroyed by fire, collision or otherwise.

Purchase of your present equipment at fair appraisal value.

WHY SHOULD YOU BE INTERESTED? Salesmen relieved of all worries and

responsibilities prevalent with personally owned cars.

Corporations relieved of necessity of maintaining costly service garages.

You have no capital investment.

You have new cars every year, minimizing accidents.

You can estimate accurately your car costs a year in advance.

Your cars always have a creditable appearance.

Use of decalcomania permitted.

No restrictions on mileage or use of car at any time.

Let us discuss your car problems with you. We guarantee 100 per cent transportation. Complete references supplied.

The R. A. COMPANY

AUTOMOBILE LEASING NATIONALLY
SUITE 1018 CHANIN BLDG.

NEW YORK CITY Ashland 4-9653
also PHILADELPHIA, PENNA.

STRIKE THE RIGHT NOTE

Use advertising playing cards to put your trade-mark, message and service before those you want to reach. Strike the right note of graceful contact with this subtle advertising medium, which is always useful and acceptable.

Let us tell you how others are cashing in on the use of advertising playing cards.

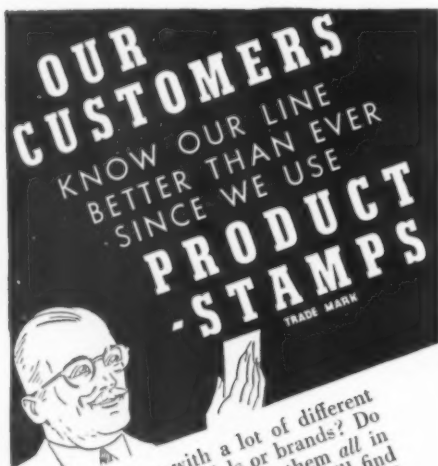


Write on your business stationery for interesting FREE booklet "The Winning Hand" Manufacturers of Advertising Playing Cards

BROWN & BIGELOW

Remembrance Advertising

SAINT PAUL, MINNESOTA



Have you a line with a lot of different items or styles or models or brands? Do you find it difficult to keep them all in your customer's mind? Then, you'll find Product-Stamps an exceedingly useful and economical advertising medium. They'll make your daily sales correspondence easier and more resultful, too. Read all the remarkable facts about Product-Stamps in this interesting, illustrated booklet. It's full of profitable ideas. Address McLaurin-Jones Co., Brookfield, Mass. Product-Stamps can be produced by any printer or lithographer using



Copyright—1937—McLaurin-Jones Co.

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how any city can afford to get along without one."

Mr. Netzhammer dug out of his files reports of round table meetings. The papers read at these meetings are always mimeographed, bound, and given to all members. Then they may go over them at leisure and check for valuable ideas. From one we glean the following paragraphs:

"When a green salesman starts to work he usually does nearly everything he is told to do. He makes plenty of calls; he rounds up old customers; he finds new outlets and new customers; he takes a great deal of interest in service work; he calls on old users; carries all samples.

"Then as he 'catches on' he begins to contract bad habits. He leaves some of his samples at home; he forgets to make enough missionary calls; in other words, he does only a part of his selling job.

"This is why a constant program of training is necessary, even for an experienced and well-disciplined sales organization."

This from the paper of another member:

"I might relate an instance of what modern merchandising methods did for one of our customers who was losing money. We happened to be in a position to dictate to him and insisted upon rearranging his store and putting into practice our knowledge of modern merchandising ideas.

"We re-arranged his store and put in step-up and mass displays and tied-up the inside of his store with his windows. In

one month we proved conclusively to him that that was the right way to merchandise, because we increased his volume of business 25%. He is now showing a profit, and we believe he is thankful for the assistance we gave him."

Another told how his company had put in a department, using an artist-employee, to teach customers how to write their own show cards and price tickets. Customers who are enough interested can come to the company headquarters on fixed evenings and learn the proper mechanics of what is, after all, a simple job if one knows how.

One member told of a check-up he had made on salesmen's calls. He found that a certain salesman who had fallen down on his quota had been calling regularly on only 8% of the prospects in his territory. Out of 628 prospects, 244 had not been called upon at all in a full year.

Another salesman had called on a single prospect 42 times in one year without making a sale. He took this salesman in hand and gave him a course in closing with some advice about barking too long up the wrong tree. The man's results were better from then on.

All of which may give some idea of what a sales managers' association can accomplish.

Advertising Campaigns

[Old and New Products as Promoted in Newspapers, Magazines and Radio, with the Results Thereof]

Time Marches to NBC

The March of Time, long an occupant of the Thursday 10:30 to 11:00 p.m. spot on Columbia's network, will shift over to NBC's Blue network beginning October 14. It will fill the 9:00 to 9:30 spot, thereby reaching, its sponsor (Time, Inc.) believes, a larger audience, particularly in the East. Plenty of people heretofore have liked the program, but couldn't—ho-hum—set up that late, what with the cows to milk and all.

Frosted Foods Thaw

Birds Eye Frosted Foods, General Foods affiliate, has loosened up with the largest ad campaign in its history, according to Edwin T. Gibson, president. Its budget, 40% higher than last year, will provide for newspaper space in 15 cities where Frosted Foods have intensive distribution. These include New York, Philadelphia, Rochester, Syracuse, Cleveland, Albany, Buffalo, Pittsburgh, New Haven, Providence, and Hartford.

The *Christian Science Monitor* and the *New Yorker* are also on the schedule; plus daytime radio programs in Boston, New York and Chicago.

The quick-freezing process developed by Clarence Birdseye a decade or so ago brought him a handsome sum, and General Foods expected to go to town with quick-frozen fruits, meats and vegetables. The depression held up large scale merchandising for a while. Then there was trouble because merchants could not afford the expensive refrigeration necessary to preserve Frosted Foods in their stores. That difficulty has been ironed out now, and, with gradually widening distribution, Birds Eye plans on national operation.

Young and Rubicam, New York, agents in charge will concentrate copy on "budget dinner specials to show how every family can afford to enjoy a delicious menu variety made possible without geographical or seasonal limitations by this unique quick-freezing process." The fact that there is no waste in Birds Eye Foods will be con-

SALES MANAGEMENT

trusted with ordinary fresh meats, fish, and vegetables where "25 to 80% of what is purchased must be thrown away after they are prepared for cooking."

HERE'S HOW YOU WIN \$100,000.00 IN THIS NEW, EASY CONTEST —Read Explanation Below—



YOU SUPPLY THE REPLY FOR THE EMPTY BALLOON

HERE is what you do to win in this contest. Just study the cartoon in the cartoon, and then write the REPLY FOR THE EMPTY BALLOON. For instance, in the cartoon above, Mary is being asked for advice. Mary's reply might be:

"Old Golds. They hold their ash like a fan. Nobody'll have your tobacco."

Or, Mary might say:

"Old Golds! Smokers seldom drop ashes when they smoke Old Golds."

Mary might say:

"Get Old Golds. They're always fresh. They'll please everybody."

There are no many things that Mary could reply that it seems almost certain to give her more examples. For instance, Mary

might very well make any of the following three replies:

"My choice is Old Golds. They're always fresh, always Double-Milled."

"Get Old Golds. Their double-collapse package keeps them wonderfully fresh."

"Fisher buy several brands or get Old Golds. Old Golds please everybody."

There is nothing bad about this contest. Almost anybody can think of dozens of things that Mary would reply. And it's the same with all of the Official Cartoons in this contest. Just study the picture and the conversation and supply your own, original reply for the blank balloon. That's all there is to it.

Under each of the Official Cartoons you will find suggestions to help you write the winning conversation for the empty balloon.

GET THE OFFICIAL CARTOONS FREE BY MAILING CIGARETTES ARE SOLD (The above cartoon is only a sample.)

Change of Pace

Deep in the heart of Everyman is the conviction that he can write better advertisements than "them smart guys, and with one hand tied behind me." Old Gold cigarettes, and agents Lennen & Mitchell, New York, seeking a successor to their recent puzzle contest, are giving this universal craving full play.

"Good-bye dictionary! Good-bye encyclopedias! \$250,000 will be won. Easily! Happily! Without research! Without brain twisters . . . your own everyday words; your own normal comments in conversation," exclaim the headlines, ballyhooing Old Gold's bigger-and-better-than-ever contest. First prize, as before, is 100,000 smackers; second prize is tilted from \$30,000 to \$50,000. Other prizes are up, too, so that the total is \$50,000 sweeter.

Contestants fill in replies to empty balloons at the rate of three a week, enclosing three Old Gold wrappers, "or facsimiles thereof," for 15 weeks.

Last time, 2,000,000 contestants tried to solve the first set of puzzle pictures, of whom 54,000 succeeded. A second batch of tie-breaking puzzles pruned down the number to 9,000, and a third series still left 8,160 puzzle

SEPTEMBER 15, 1937

1st IN PER CAPITA SALES IN MICHIGAN



THE ANN ARBOR NEWS COVERS ONE OF MICHIGAN'S RICHEST MARKETS



There is concentrated wealth and purchasing power in Ann Arbor out of all proportion to population figures. In annual per capita sales, Ann Arbor tops every city of its size in the United States. Furthermore, 65% of Ann Arbor News readers are un-reached through any other newspaper. For further information, write or call I. A. Klein, 50 E. 42nd Street, New York, or John E. Lutz, 435 N. Michigan Avenue, Chicago.

The Other 7 Booth Michigan Papers are:

Saginaw News
Grand Rapids Press
Flint Journal
Muskegon Chronicle
Jackson Citizen Patriot
Kalamazoo Gazette
Bay City Times

The 8 Booth Papers

Cover Your Michigan
Market Outside Detroit



WORTH OF DIRECT ADVERTISING EXPERIENCE

● Advertisers have spent this amount of money on direct advertising and merchandising programs created or produced by this organization.

This experience has taught us how to make the best use of the advertiser's direct ad-

vertising and merchandising dollars.

All of this experience—an ocean of it—is available to you. Make use of it by consulting us on your direct advertising or merchandising problems.

THE REUBEN H. DONNELLEY CORPORATION
Direct Mail Division 350 EAST 22ND STREET, CHICAGO
305 EAST 45TH STREET, NEW YORK • 1121 WALL STREET, LOS ANGELES

Special ISSUE SCORES direct HIT with SALES EXECUTIVES

If your product or your service fits into the man-power picture of handling salesmen, here's an annual issue of Sales Management where your promotion should stand out like the Washington Monument, for the entire issue is devoted to the subject. AND YOUR ADVERTISING CAN BE IN THE DEPARTMENT WHERE IT FITS.

Copy forms close September 24th, for proofs; space reservations made ahead of time get the pick of positions.

FIVE EDITORIAL (and ADVERTISING) SECTIONS

1. Hiring and Training Salesmen.
2. Compensating Salesmen.
3. Equipping Salesmen.
4. Stimulating Salesmen.
5. Controlling Salesmen.

OCTOBER 10th
Special ISSUE

"Managing
Salesmen
in 1938"



experts. An essay contest sifted out the winners.

That contest, however, presented a far easier judging task than the present one. Puzzles were either right or wrong. It is merely a matter of opinion as to which of 2,000,000 replies are "best."

Big Bugs' Breakfast

Quaker Oats Co. is basing its Fall campaign for Quaker and Mother's Oats on testimonials from people in the news—"the Breakfast of Great Americans."

"Several thousand" aviators, scientists, and other notables were canvassed. "Most of them" either eat one or the other of these brands of oats. That presumably, helped them to become learned, wealthy, famous, or all three.

Consumer advertising, by Lord & Thomas, New York, will run in weekly b. & w. insertions of 180 lines in newspapers of 61 cities; in two-color pages in *The American Weekly*; in full-color pages of comic sections; black and white pages in ten women's magazines; subway and elevated posters; and trade papers. Commercials on Quaker's Saturday afternoon NBC network will be divided between Quaker Oats and Aunt Jemima Pancakes.

Foulds Flourish

Grocery Store Products Co., New York, launches, September 18, an expanded program for Foulds macaroni, Kitchen Bouquet food flavoring, Kennett and Jacob canned mushrooms, through McCann-Erickson, agency, New York.

The macaroni space appears in middle-western newspapers in the larger cities. Kitchen Bouquet copy appears in a long list of women's magazines. Newspaper gravure sections of 24 cities carry mushroom ads.

Camel Crows

Precisely speaking, a camel doesn't crow, yet Camel cigarettes, and agency Wm. Esty & Co., New York, are emitting the ruminant's equivalent of a rooster's crow. In newspapers the country over R. J. Reynolds Tobacco Co. asks the rhetorical question, "Can people really appreciate the costlier tobaccos in Camels?" The answer is, "Camels are the largest selling cigarette in America."

Thus, for the first time, Camels play up several consecutive years of sales leadership. Informed authorities estimate that Camels' sales are about 30% of the nation's total, or 50,000,000,000 units of the national volume this year of some 160,000,000,000 gaspers.

Miller-Tydings Act to Change FTC's Attitude On Price-Fixing?

(Continued from page 67)

will indicate the revised FTC policy as caused by the new law, and should be watched carefully.

(As a matter of fact, the Department of Justice, as well as the FTC, has been set into confusion on anti-trust cases by the Miller-Tydings measure.)

There are indications that the Commission will go ahead with its charges against the Cast Iron Pipe Association and the cement industry, involving the single and multiple basing point (respectively) for fixing prices. There are indications also that the basing point issue will come into the limelight again at the next session of Congress.

Interstate Complexities

Not only, however, does it become the task of the FTC to study each of the 42 state resale price maintenance laws. Interstate business firms must do likewise because not all of the 42 laws are identical. Note that price maintenance contracts cannot be made between wholesalers, jobbers, manufacturers, factors, or retailers; one manufacturer cannot contract with another to maintain a certain price; one retailer cannot contract with another. What can be done is negotiation of a contract between a manufacturer and a retailer, or a contract between a wholesaler and a retailer, etc., that a trade-marked, branded product will not be sold below a given figure.

A point at issue in connection with the new enactment is made by Guerra Everett, chief of the Division of Commercial Laws, of the Department of Commerce.

"It may be important to bear in mind," Mr. Everett states, "that while the new Act authorizes agreements which are to take effect in states where they are authorized by local 'statute law, or public policy,' the Supreme Court held in the 1911 case that such agreements were not only restraints of trade contrary to the Sherman Act but invalid at common law. The decision of last December appears merely to uphold the 'fair trade' acts, and it is still debatable whether mere local court decisions or evidences of 'public policy' would suffice to authorize price maintenance agreements affecting such jurisdiction. It would appear to be

SALES MANAGEMENT

prudent to exclude from such agreements states which have not adopted a 'fair trade' act until this point is settled."

In regard to the future of price-fixing, the Miller-Tydings Act will have a considerable influence. One of the concerns of the present Administration in Washington has been that of price controls. This came pointedly to the fore last March, and had been touted some weeks before as possible legislative consideration.

However, at that time the announcement was made that price control was still in the evolutionary stage and further study was indicated. Since then the matter has been left sleeping so far as the public is concerned—but it is still there. When it arises again before the public eye, the Miller-Tydings Act will play a significant part.

Note that the President earlier in the session disapproved of the resale price maintenance measure, and expressed the fear that it would up prices—at a time when the cost of living was advancing too rapidly. It will be remembered, that in a radio address early in the year, he warned that "recovery is speeding up to a point where the dangers of 1929 are again becoming possible, not this week or month, perhaps, but within a year or two." Cabinet members followed with widely publicized remarks on boom controls.

Anti-Trust Law Changes?

Whether price controls of a new sort are attempted by the Administration, the old basing point issue still pends before the Congress. Further than that, the Administration now has in operation a comprehensive study of the anti-trust laws and undoubtedly price-fixing will play a substantial part in the recommendations, which are to be forthcoming for the next session. Note that the President indicated hesitation as to signing the Resale Price Maintenance measure because it "weakens the anti-trust laws."

Undoubtedly there will be phases of the whole problem before the January session of the Congress. Whether the whole price-fixing issue can be adequately faced and settled in a short, over-loaded, and pre-election session, remains to be seen. But anti-trust matters will come to the fore. There is a constant possibility, with the attitude of the present Administration in mind, that the Miller-Tydings Act will undergo revision—if not re-shaping, at least amendment. Attempts may well be anticipated.

SEPTEMBER 15, 1937

INDUSTRIAL RELATIONS PUBLIC RELATIONS ECONOMIC RESEARCH MARKET RESEARCH

evaluated by
442 Industrial Leaders

This is the title of a survey we have just completed, presenting facts and the opinions of American business leaders toward these four vital subjects. They realize that American business is at the crossroads, where momentous decisions must be made, decisions which will not only modify the future of their own businesses, their own industries, but will affect the future of America itself.

It is well understood that no individual business can any longer remain so entirely personal or private as it may have been in times past. Therefore it seemed desirable to make an objective approach toward the problems arising in these fields, to measure the collective attitude of American business leaders toward these subjects.

The survey is now ready. Copies are available to anyone interested in these four important fields of business management.

Send for your copy. There is no charge.

MARKET RESEARCH CORPORATION OF AMERICA

Pauline Arnold
Percival White

Rockefeller Center, New York
120 S. La Salle St., Chicago

*Gives you guidance in making marketing decisions
and building sales and advertising plans*

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That Spot Radio Survey

Editor, SALES MANAGEMENT:

In your August 1 issue you printed a statement based on Publishers' Information Bureau figures, headed "50 Most Popular Stations Based on Number of National Advertisers Using Spot."

In this, you make no distinction as to stations operating on limited time. I, naturally, have particular reference to WLS, which is a half-time station and which in your list ranks 17th with 43 advertisers. For accuracy, it should be so identified that readers may know that the figure represents the operations of only a half-time station.

GLENN SNYDER, *Manager,*
The Agricultural Broadcasting Co.,
Chicago, Ill.

Editor, SALES MANAGEMENT:

KMBC is not listed as one of the 50 most popular stations, undoubtedly because we did not supply information to the Publishers' Information Bureau, if we were ever asked for it. I presume that we were. We do not, as a matter of policy, supply information concerning our business to anyone. There are any number of very fine radio stations other than ours which do not supply information. Therefore, no survey of this kind can be complete, or truly indicative of any given situation.

Just to keep the records straight, however, of the 25 largest users of spot radio during the first quarter of 1937, 14 were using KMBC; and better yet, 9 of them still are.

This probably doesn't prove a thing except that I am a careful reader of SALES MANAGEMENT.

J. LESLIE FOX,
KMBC, Midland Broadcasting Co.,
Kansas City, Mo.

Editor, SALES MANAGEMENT:

We believe that the analysis you have made in connection with spot broadcasting is very interesting and should prove generally helpful. A survey of this kind at least once annually and possibly twice a year should, I think, be welcomed by those interested in broadcasting.

NORMAN REED, *Manager,*
WPG, Municipal Radio Station,
Atlantic City, N. J.

Editor, SALES MANAGEMENT:

I think you have made a wonderful contribution toward analyzing spot radio. A number of agencies have attempted this task, but so far I have seen nothing that published the factual information included in this survey.

BARRON HOWARD, *Sales Manager,*
Radio Station WRVA,
Richmond, Va.

Barber Shop Ceilings

Editor, SALES MANAGEMENT:

The suggestion by George Durst in your issue of July 1 that there should be advertisements on barber shop ceilings has the merit of cleverness but not of originality.

I am sorry on Mr. Durst's account to have to report that there were just such advertisements in St. Joseph, Mo., 20 years ago on the ceiling of Billy Rhodes' shop. Billy achieved large circulation. He had a big and popular shop which still may be there for all I know, and the advertisements were read by scores of good buyers every day.

WILLIAM SHAW,
Chicago, Ill.

Air Conditioning

Editor, SALES MANAGEMENT:

In view of the reference made to water supply and drainage in connection with air conditioning, on page 16 of your August 1 issue, you should be interested in a new carrier development which operates on the principle of evaporating a small amount of water as it is re-circulated over coils used to produce the cooling effect. The old method used in water cooling conditioners consisted of continuously running large quantities of water through the coils and then directly into sewers. The evaporative condenser is adaptable for large and small installations and is being used with success to reduce water consumption to one-twentieth in home, office, commercial and industrial installations.

WALTER A. BOWE, *Adv. and*
Sales Promotion Mgr.,
Carrier Corp.,
Newark, N. J.

Want to Supply Back Issues?

Joseph L. Wheeler, librarian of the Enoch Pratt Free Library, Baltimore, Md., writes that the library, due to several reasons, has not been diligent in past years in keeping up its bound volumes of many important publications. Mr. Wheeler is anxious to complete a library file of SALES MANAGEMENT and solicits offers of volumes I to VI, 1918 to 1924.

By Bus, Rail or Plane

Editor, SALES MANAGEMENT:

At the airline conference the other day, the August 1 story on bus, train, and plane rates came up for discussion, and some felt that while the story was generally accurate, some of the comparisons were not an accurate analysis of the relative costs.

For example: Page 21—Chicago to New York—you quote fare of a 16½-hour train at \$18.20, whereas 16½-hour train fare is \$27.25. Furthermore, business men of executive type do not ordinarily sit up from Chicago to New York, which they

would have to do to get the \$18.20 ticket on a train. The fare on the 16½-hour Chicago-New York train would be:

Ticket	\$27.25
Extra Fare	7.50
Berth	6.00
Meals	2.25

Total Cost \$43.00

Furthermore, railroads in the East offer no round-trip rates like they used to, and on the round-trip ticket for the 16½-hour trip that you mention, a man's train travel cost would be \$43 x 2, or \$86.

The airlines' travel cost, including meals which are free, is:

One Way	\$44.95
Round Trip	80.90

However, many business men use the Air Travel Plan which gives them a 15% discount. Comparing a four-hour airplane trip against a 16½ hour train trip, the round-trip cost by rail, including berth and meals, would be \$86 against \$76.40 for a round-trip by air for the business man using Air Scrip.

B. B. GRAGG, *Sales Manager,*
United Air Lines Transport Corp.,
Chicago, Ill.

"Comment" Should Be Posted

Editor, SALES MANAGEMENT:

We in this office are readers of SALES MANAGEMENT. We read it with pleasure and growing interest.

If you had written nothing more than the final paragraph in your "Comment," in the September 1 issue, your article would have been more than worth while.

Would you mind if I suggest that you place those words on billboards and car cards? Or perhaps place them on large placards, that they face every state and national law-making body in this country? It is possible then that we may get real results, in that now famous "return to prosperity."

Thank you for your "Comment." It is a most fitting close to your publication.

DOROTHY INGRAM, *Cashier,*
Personal Finance Co.

Orchids to Norvell

Editor, SALES MANAGEMENT:

The writer agrees with Saunders Norvell heartily on the many suggestions that he made about moss-grown catalogs. One of the things that we do that we find helps our sales is to change complete sections of the catalog from one part of the catalog to the other at different times. We had the fishing tackle and sporting goods department in the last part of our catalog and we moved it up close to the center, as we felt that we wanted that department's sales to increase. We were agreeably surprised to see what the effects were.

The writer has used the suggestion that you made some time back in one of your articles and has had our salesmen do the same thing: That is, starting to page the catalog from the center one time toward the back, and the next time toward the front. We realize that the dealer gets tired in going through a large catalog. The last part of the catalog is the one that will suffer if he is tired.

The suggestion that you make in regard to new merchandise, the writer believes, is very fine. We use this now on our close-out items. We use a pink "Close-outs" sheet and put numerous items on it. The effect on the buyer is good.

Wm. Van Hoogenhuyze Hardware Co.,
San Antonio, Texas.

SALES MANAGEMENT

How 41 Big Firms Initiate and Clear Sales and Advertising Budgets

(Continued from page 22)

the structure together. All selling activities must be under the control of a central authority, just as all activities of the business as a whole must be controlled by the head of the company.

(7) There are scores of instrumentalities used to sell goods today. Advertising is only one of these. The number of these instrumentalities is growing constantly. Obviously, their use must be directed from one source. If not, confusion would result, just as it would if every captain, major and colonel fought his own battle. To win the battle, they must all be under the general's orders.

(8) In many companies, the data for advertising copy, for sales promotion material and for sales literature comes from the sales department. This is another factor that is putting advertising under sales department influence.

(9) The advertising departments of most of the companies that we studied are located directly in the sales departments. In many concerns they are separated physically, but are grouped under the sales department in the chart of the organization set-up.

(10) The growth of sales promotion is another reason for drawing the general sales manager into advertising direction. By sales promotion we mean those 1001 methods of promoting a business, as distinguished from media advertising. Since sales promotion criss-crosses with sales at every angle of the business, it must be under the control of the sales manager in the well-organized company.

(11) Since a percentage of sales is the most frequently used method of making up the advertising appropriation, the whole advertising campaign has its origin in the sales end of these businesses.

(12) The rise of budgetary control has exerted great changes on appropriation-building methods. Budgetary control is the result of centralized management. Central control is the only way Big Business can be operated profitably. Under this system each department is allotted its budget. In many concerns, the sales department is given its budget as a lump sum. It is given the authority to spend this sum as it sees fit. Under this plan, the sales director, working in conjunction with his sales committee, determines the portion of the sales budget to be

put into advertising.

(13) Another surprising development is the waning power of stars in advertising work. The early advertisers were generally one-man enterprises. C. W. Post, Emery Mapes, William Wrigley, Mennen, and all that great galaxy of advertising stars ran their organizations so completely that they dominated every division of them. It was they who decided how much they would spend for advertising, and where it would be spent. No one else had anything to say about it.

The stars in advertising have been succeeded by committees. Teamwork is better for a concern's welfare than individual brilliance. Committees today decide how, where and when their companies will advertise.

(In Part II of this study, Mr. Murphy will define the lines of executive responsibility, with respect to advertising appropriations, in 17 of the 41 companies whose methods he studied in this special investigation. These companies are all chosen from different industries, and all organization set-ups differ one from the other in some degree. Yet all have, in some respects, marked similarities. This section of Mr. Murphy's study will begin in the October 1 issue of SALES MANAGEMENT.—THE EDITORS.)

Most Business Papers Gain Readers, Reduce Page Cost-per-1,000

Most business paper circulations rose in 1936 over 1935 while advertising space costs per page per thousand declined, according to a rate and circulation study of 335 class, trade and technical publications issued by the Association of National Advertisers.

A summary tabulation shows that among Audit Bureau of Circulations publications, 187 increased their circulations, 48 decreased and two remained unchanged. Black-and-white page rates, all issues, were raised by 16 papers, decreased by two and left unchanged by 219. The cost-per-thousand increased for 56 papers, decreased for 179, while two showed no change.

The same sort of summary for the smaller number of Controlled Circulation Audit publications shows circulation growth by 53 papers and loss by 28. Page rates, all issues, were increased by 15 papers, decreased by two and were unchanged by 64. Cost per 1,000 circulation rose for 37 papers, dropped for 43 and was unchanged for one publication.

This report on the business paper study has been distributed to all A.N.A. members and will be sold to others.

10th BIRTHDAY...
AIR EXPRESS
1927 . . . 1937

AIR EXPRESS, zooms America's shipments 2500 miles overnight! Complete day and night service to 216 cities, and all points between, in the United States and Canada. Direct to Latin-America, Honolulu, and the Far East. Low cost. True, modern economy. For service, telephone any office of Railway Express and say "AIR EXPRESS DIVISION!"

AIR EXPRESS
 RAILWAY EXPRESS
 AGENCY, INC.

TORONTO MONTREAL WINNIPEG LONDON **GIBBONS KNOWS CANADA** **REGINA CALGARY EDMONTON VANCOUVER**

J. J. GIBBONS LIMITED • ADVERTISING AGENTS

What is THE DIGEST?

A stranger sharing a car seat with me was reading THE DIGEST. "What kind of a magazine is it?" I asked him. "It's this way", he said. "Monday morning, I get reports from all department heads, which give me a complete summary of my business. On Wednesday, I read THE DIGEST and feel that I have been handed a complete summary of the world. To me, THE DIGEST is an essential service, not just something to read."

There are three broad divisions to THE DIGEST. First—"Story of a Week"—is a digest of important news events, brief, accurate and vivid but not flippant.

Second is a feature section. Some situations are what you might call "News-breeders." They are the rumblings of coming events and upheavals. With candid text and photographs, THE DIGEST visualizes these significant highlights of the passing show.

The third division is, "Reading Around the World." A large staff of editors reads current magazines, newspapers and books of the world and selects the essence. This division keeps you posted on what the world is thinking.

THE DIGEST is for busy, vigorous-minded men and women. Such people earn good incomes. The half million families reading THE DIGEST constitute a market for higher quality merchandise.

ALBERT SHAW, JR.
PUBLISHER OF



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Excellent Providence Market Analysis Published by Journal

Providence and its portion of the Rhode Island Market are turned wrong-side out and put together again for the benefit of sales and advertising experts in the current study—"Business, What Makes It Tick in the Providence, Rhode Island, Market." It is one of the best market studies of recent months, and executives operating in this market will surely find it a mine of authenticated and well-indexed information.

In its arrangement, the sturdy, flexible-bound book of 60 pages leaves nothing to be desired. Heavy index division sheets introduce each of six sections: Population, Homes, Industry, Income, Trade, General Business. Each of those index sheets summarizes with graphs, illustrations, color printing and deft arrangement of figures and percentages the several data sheets which make up the section following.

Statistics are taken, in general, from the most recent official reports available, ranging from the U. S. 1930 Census, with additional state census of 1936, through 1936 banking and sales records. The section on Income, for instance, combines SALES MANAGEMENT's 1936 Survey of Spending Power, the Brown Bureau of Business Research, Census of Manufactures 1933 and 1935, Census of Business 1935, and U. S. Bureau of Internal Revenue income tax returns reports for 1934.

For population, information is cited on growth and trends, distribution of foreign born, native white, colored (1930 and 1936), for the state and the Providence market; by age groups, marital condition, school attendance, etc.

In the section on General Business, figures are cited over long periods to show trends from 1921 through 1936 (general business index); check transactions (1922-1936); department store sales index (1919-1936); power used by 62 factories (1922-1936); building records (1922-1936).

This is strictly a market study, only one page of which is devoted to newspaper circulation and lineage records by its publishers, the Providence Journal Co. Copies available to sales and advertising executives, on request to H. E. Jewett, Providence Journal-Evening Bulletin, Providence, R. I.

Time Tabulates Tycoons

At the request of its advertisers, Time publishes from year to year a fascinating tome consisting of nothing in the world but names, names, and more names—the names of executives in important corporations who read Time. The 1937 edition, recently released, lists 6,790 Time-reading

directors and officials of 944 corporations. Such names may be dry reading to some, but those who understand the problems of circulation-building, and who can visualize the enormous concentration of industrial power in the names on these 90 pages we believe will agree that the term "fascinating" above is under-statement. The list is classified by industries. Spiral-bound, beautifully printed, the book is limited in distribution to executives of national advertising concerns and agencies. Requests to Harry Dole, Time, 135 E. 42nd Street, New York, N. Y.

New Booklet Describes Instalment Selling Services

Financing of consumer instalment purchases, industrial equipment purchases, wholesale time payments, and open accounts, with the supplementary services of factoring and credit insurance, are described in an amazingly interesting booklet recently published by the Commercial Credit Company of Baltimore. Sales executives, even those familiar with some of the services rendered by this commercial banking institution, will enjoy the hill-billy illustrations picturing the various types of service. And any executives who have not investigated the possibilities of speeding the sales process through modern credit methods may find the booklet an eye-opener.



"We don't need no new equipment in our shop."—Commercial Credit borrows famous cartoon characters to illustrate sales points.

"Credit and Finance Today" is a resume of commercial banking services available to manufacturers, distributors and dealers, through an organization now in its twenty-fifth year. Starting from scratch in 1912 with five employees and \$300,000 invested capital, the organization now numbers over 3,000 employees, with \$63,646,727 invested capital and over \$305,000,000 consolidated resources. Each of the several services mentioned above is described briefly, but with sufficient detail to illustrate general applications in services which are flexible and have proven their worth in emergencies. Requests to Kenneth C. Watson, Commercial Credit Company, Baltimore, Md.

SALES MANAGEMENT

Advertising Agency Re-defines Advertising as Sales Tool

The other sweltering day an advertising man of long experience sagged into a lunch chair and opined to us—"You know, the trouble with this business is we forget that the main object of advertising is to sell goods. I just re-sold myself on that principle, and I'm going to town, talking to sales managers about what my sheet can really do for them."

An advertising agency in Boston is also working on that elementary principle, judging by some knowledge of its work and a current promotion book—"People Buy Ideas, Not Products." We refer, of course, to the James Thomas Chirurg Co., which has produced as its fourth annual promotion study a treatise which frankly apologizes for the need to use the word "advertising," and concentrates instead on the jobs done by that sales tool when used as such to speed distribution. Partly a review of advertising done for clients, the book deals largely in the problems of salesmen, of market and product analysis, and the jobs advertising can do which no other form of selling is as well qualified to accomplish. For our readers in New England, New York and New Jersey the volume will be sent without charge, on request to Howard G. Sawyer, James Thomas Chirurg Co., 216 Tremont Street, Boston. Priced to executives in other areas at \$2.

Milwaukee Newspaper Market Analyzed by the Journal

In June this column reported on the Consumer Analysis study of the Milwaukee market published by the *Journal*—14th annual edition of an intensive product and brand preference survey. Supplementing that study, now comes that paper's most recent circulation analysis, "Going Home." Twice the size of the last similar report, it is an exceptionally fine study of newspaper coverage, based on a home coverage survey in Milwaukee and suburbs made by an independent research organization, with 12,488 interviews in 119 zones. Zones were set up to include approximately 1,500 families. Interviewers asked (1) what newspapers were read, daily and Sunday; (2) what rent was paid. Complete returns representing 6.9% of the 181,067 families in the greater Milwaukee area were then applied to the total number of families to show total home circulation of each newspaper in the area. The resulting data, expressed graphically in colored income maps, and bar charts, give a most convincing

record of a newspaper market, its numerical strength and the buying power of its readers. Not an A.B.C. circulation report, the study nevertheless will be valuable to advertisers in that market as a guide to the buying power which can be influenced by newspaper campaigns in Milwaukee. Limited distribution, but available to executives on request to C. R. Conlee, the Milwaukee *Journal*, Milwaukee, Wis.

The Amsterdam (N.Y.) Market

Seventh industrial city in New York state, with official census recognition of some 34,000 people, Amsterdam offers national advertisers a market with potentialities exceeding its comparative population standing. An excellent market study has recently been published by the *Evening Recorder*, to interpret that market and its trading area of over 68,000 population, location of 62 important industrial plants. A retail trade analysis for 1936, made by an independent organization as an extension of the 1935 Retail Census, is briefed in this study to show outlets and sales in all classifications. Merchandising service is available through the *Recorder*. Copies sent on request to William B. LeFavour, *Evening Recorder*, Amsterdam, N. Y.

How Critical Are Men of Women Smoking, Drinking?

(Continued from page 36)

Intrudes upon man's reservation..	14%
Encourages excessive drinking....	8
Attracts too much attention and comment	3
Poor example for children	3
No explanation—just prejudiced..	33

The half-dozen males who did not know what their reaction would be

had never seen a woman drinking at a bar!

As this issue goes to press, investigators of the Market Research Corporation of America are interviewing approximately 2,000 men and women to find out what these people and their families want for Christmas. The finding should be of great interest and value to sales executives, advertising executives, advertising agency officials and to all who offer any type of consumer media service. The findings will be tabulated and analyzed in SALES MANAGEMENT for October 1.

The Perfect Gift A Goodwill Builder of Permanent Advertising Value



A man's Billfold is his most personal possession. He uses it constantly. It is a medium of advertising which will remind your customers of your firm favorably, frequently and for a long time.

Made by expert craftsmen in a wide variety of styles to meet your most particular client. •••

Write for samples, prices and distribution plans.

The Meeker Company, Inc.
Mfrs. of recognized Leather Goods
JOPLIN, MISSOURI

Personal Service and Supplies

Cash Basis Only. Remittance Must Accompany Order.

Classified Rates: 50c a line of seven words, minimum \$3.00. No display.

EXECUTIVES WANTED

SALARIED POSITIONS, \$2,500 to \$26,000. This thoroughly organized advertising service of 27 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance for moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

MANUFACTURER'S AGENT

DISTRICT MANAGER 10 YEARS WITH large firm selling and directing sales to offices, chain stores, hotels, etc. in Metropolitan New York. **WISHES TO REPRESENT MANUFACTURER** of product of merit. Office established. Box 552, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

PHOTO OFFSET

PLANOGRAPH Offset Users; Set display type like printer—in composing stick—with FOTOTYPE cardboard letters. Save composition on paste-ups. Write for folder. Fototype, 625 West Washington, Chicago.

POSITION WANTED

FOR HIRE: ABILITY, EXPERIENCE. Asst. Sales Manager, Sales Promotion Manager, Sales Corres. (now employed). **EXPERIENCE:** 12 years traveling sales; 1 year branch sales manager (office equip.) 4 years branch sales manager (food pdts.) **TERRITORIES COVERED:** East. Canada (successfully introduced new product). New England, New York, Maryland, West Va. **SPECIALIST:** Handling and operating branch sales offices; hiring and training salesmen; writing fruitful letters to buyers, salesmen, jobbers. **PERSONAL:** possessor of a fine sales record and excellent references. Age 34; methodical, moderate in habits, studious, active. Moderate salary to start; results to talk. Box 550, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

SALES EXECUTIVE NOW AVAILABLE BECAUSE OF MERGER. Proven efficiency in sales management, promotion, campaigns, organization and training, also excellent correspondent and impressive speaker. Age 46, pleasing personality, good habits and character. Will immediately enter executive capacity or do actual selling until efficiency is established. Now located on Pacific Coast and prefer assignment there or Hawaii. Box 551, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

RESPONSIBLE POSITIONS

OUR STRICTLY CONFIDENTIAL AND PERSONAL method conducts negotiations for high-grade positions. Each case prepared and executed separately. Employment and identity protected. Moderate cost. If you have earned over \$2,400 yr. write Dept. G, Craig & Gravatt, Schaff Bldg., Philadelphia, Pa.

PHOTOSTATS

COMMERCE PHOTO-PRINT CORPORATION

1 WALL STREET

233 Broadway 56 Pine St.
80 Maiden Lane 33 W. 42nd St.
Dlgbly 4-9135-6-7-8

SALES CONTESTS

Planning and Merchandising

Sample copy of our Merchandise Prize Catalog, and brochure, "Information on Sales Contest Operation," furnished to sales and advertising executives without charge.

SALES CONTESTS, INC.
10th Floor American Bldg., Dayton, O.

C O M M E N T

BY RAY BILL



STOCK MARKET AS AN INDEX: Business men and many others have become accustomed to regard stock market trends as a fairly reliable forecast of business trends. It may take quite a few years of statistical experience to prove conclusively that the stock market no longer possesses good index values as regards the business outlook.

Ever since the national government undertook to house clean the security business, including the operation of the security markets, certain changes have been occurring. In the first place, existing restrictions have reduced the number of so-called stock trading operators to a small fraction of the number who formerly engaged in such activities. In the second place, the size of the funds being used by the remaining stock market operators appears to have been greatly curtailed as regards the per capita of money being employed for this purpose. These two changes become highly significant, since they account for such a substantial reduction in the buying and selling volume which used to be regarded as normal. In consequence, comparable cushions no longer exist on either the long or short side of the securities of most companies. Today, many of the stocks listed on the "Big Board" are subject to sizable fluctuations when buying or selling orders, within a given day, jump from a few hundred shares to a few thousand shares. As a matter of fact, the so-called market value of many listed securities is now only theoretically accurate since moderately large blocks of stock cannot usually be bought or sold at the levels which reflect a day's trading in a few hundred shares.

Summing up then, we suspect that the business world must accustom itself to a more volatile stock market than was customary in previous years and one which will gradually revolve into more of a capital investment index than a business trend index. The stock market as a whole currently reflects the effect of war scares, labor difficulties, a possible special session of Congress, fear of impending higher taxes and large-scale withdrawal of foreign investments in American securities. It also reflects greatly reduced activity on the part of professional traders and speculators. But as far as business is concerned, it leaves much to be learned from the study of entirely different and far more reliable statistical data. The favorable material is far too extensive to enumerate here, but it reveals an

essentially bullish picture which should far more than offset the state-of-mind jitters which certain business executives are wont to derive on beholding a volatile stock market.

Meanwhile, sales executives of manufacturing concerns can profit by heeding the message about retail merchants recently published by the *New York Post*. We quote:

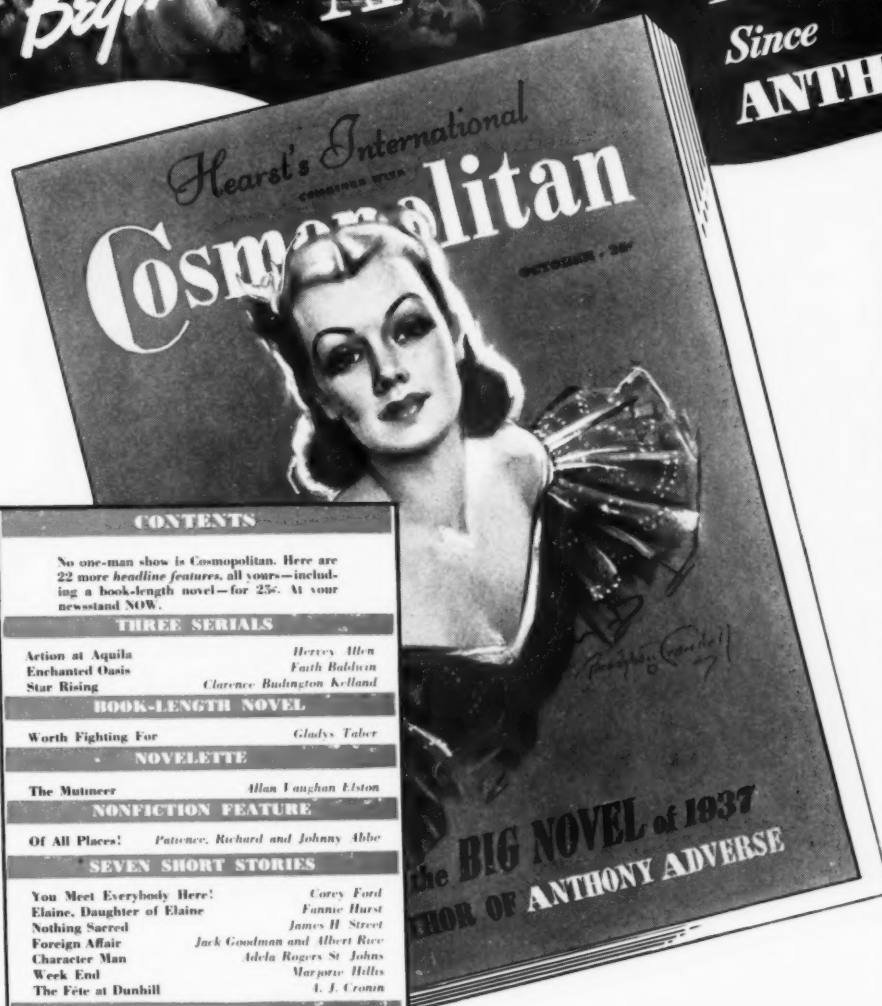
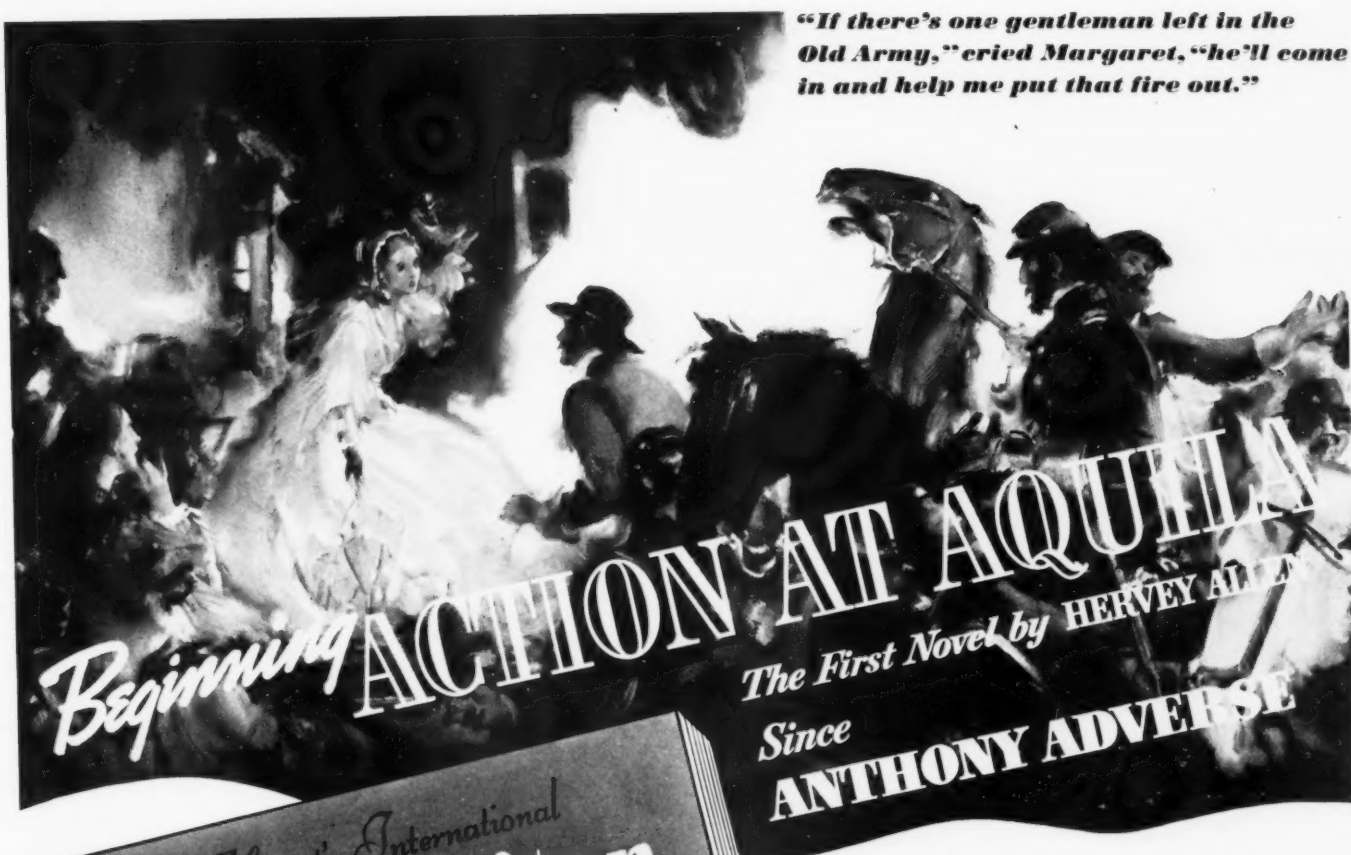
Now it's the retailer's turn. With shorter working hours, higher wages and steadily increasing employment providing more and more people with regular incomes, stores can look forward to a new peak in retail volume.

Prospects for the remaining months of 1937 are bright, but because of this merchants must not allow themselves to adopt a complacent, let-it-roll-in attitude. Increased volume this year means far too much. Because of the rise in operating costs, it means the difference between a good, bad or indifferent profit year. *Merchants must go out after increased volume with vigorous, hard-hitting promotion.*

FAIR TRADE LAWS VS. PREMIUMS: The passage of the Miller-Tydings Bill as part of the District of Columbia Appropriation Bill is bringing up questions about whether it, taken in conjunction with the Fair Trade laws of the individual states, will materially affect the use of premiums for the purpose of stimulating and increasing sales.

There are now Fair Trade laws in some 42 states of the nation, most of which place no restrictions upon the use of premiums. In the 14 states where restrictions are incorporated in the Fair Trade laws with respect to the use of premiums, there are two definite ways by which manufacturers can be assured of their continued right to use premiums. First, manufacturers are privileged to elect whether or not they wish to control resale prices in accordance with the Fair Trade law of a given state; where they do not elect to so control, obviously there is no problem involved with respect to the use of premiums. Second, in those states where the Fair Trade laws restrict premiums, they do not do so when the use of premiums is made part and parcel of the resale price control policy of a given company. In other words, broadly interpreted, price control legislation does not prevent the use of premiums, provided only (1) that the manufacturer does not seek to obtain price control under Fair Trade laws, or (2) that the manufacturer controls resale prices on a basis which is uniform insofar as premiums are concerned by a provision to that effect in his contract with the retailer.

"If there's one gentleman left in the Old Army," cried Margaret, "he'll come in and help me put that fire out."



CONTENTS

No one-man show in Cosmopolitan. Here are 22 more headline features, all yours—including a book-length novel—for 25¢. At your newsstand NOW.

THREE SERIALS

Action at Aquila	Hervey Allen
Enchanted Oasis	Faith Baldwin
Star Rising	Clarence Budington Kelland

BOOK-LENGTH NOVEL

Worth Fighting For	Gladys Taber
--------------------	--------------

NOVELETTE

The Mutineer	Allan Vaughan Elston
--------------	----------------------

NONFICTION FEATURE

Of All Places!	Patience, Richard and Johnny Abbe
----------------	-----------------------------------

SEVEN SHORT STORIES

You Meet Everybody Here!	Corey Ford
Elaine, Daughter of Elaine	Fannie Hurst
Nothing Sacred	James H. Street
Foreign Affair	Jack Goodman and Albert Rice
Character Man	Adela Rogers St. Johns
Week End	Margaret Hillis
The Fête at Dunhill	A. J. Cronin

TEN ARTICLES

Over the Editor's Shoulder	
Cosmopolite of the Month: Hervey Allen	Russell Lord
Doing Things for Fun	Dorothy Canfield Fisher
Vanity Fair—America's No. 1 Industry	Alice Hughes
The Hounds of Notre Dame	Rex Beach
Soul Clinics	Dorothy Giles
"Forget the Jewels! Get the Men!"	Lincoln Barnett
"Mid Pleasures and Palaces"	
	Prince Christopher of Greece
"Pardon My Glove!"	Paul Galluco
I Was a Problem Child	O. O. McIntyre

Note to business men: Scarcely since the days when crowds stormed the Battery to meet laggard ships bringing the latest installments of Dickens, has great fiction been so impatiently awaited as Hervey Allen's new serial.

In the best tradition of its 51-year history *Cosmopolitan* now offers "Action at Aquila" to the millions who took "Anthony Adverse" to their hearts. So Hervey Allen joins de Maupassant, Twain, Kipling, Wells and London as a *Cosmopolitan* novelist.

Again, we live up to our unwavering policy of always printing "the best in fiction, fact and illustration."

In the midst of many experiments with public taste in magazines—in size, method of presentation and contents, do you doubt that the age-old love of a good story, well written and beautifully illustrated, persists?

In the case of *Cosmopolitan* this demand for good reading has brought us to our top circulation of all time . . . to 1,800,000 satisfied buyers every month.

It means over 600,000 single-copy sales at 25¢, the largest general-magazine newsstand sale. It means a total of 4,500,000 men and women readers, highly concentrated between 25 and 35, in the "Age of Accumulation." It means peak circulation among the 21% of the population which buys 35% of all the goods you make and sell.

You will make those sales easier and cheaper if you put *your great selling facts* beside *Cosmopolitan's great fiction*.

COSMOPOLITAN

MORE READERS IN THE "AGE OF ACCUMULATION"

Copyright, 1937, Hearst Magazines, Inc.



ONE KIND OF ADVERTISING YOU CAN AFFORD

It is hardly worth while to prospect for customers when known veins of buying power can be mined at low cost

The kind of advertising that pays out best today for the manufacturer is the kind that assays highest for the dealer.

Retailers sell individual consumers in local markets. This kind of selling requires localized promotion in the newspaper.

The newspaper is the salesman's advertising medium because it circulates where prospects and purses are thickest. It produces volume response where dealers can cash in on it.

No other advertising medium equals the newspaper's proved capacity to sell goods. No other circulation dovetails more flexibly into selling.

Localized advertising in the Chicago Tribune is the most productive advertising you can buy to spur sales in Chicago.

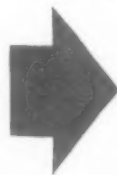
Through the Tribune alone you can reach practically as many families in metropolitan Chicago as can be reached through any two other Chicago newspapers combined.

Tribune circulation permeates this market completely—reaching all classes of buyers, regardless of income, age or social status.

The Tribune is the one Chicago newspaper which reaches the majority of metropolitan Chicago's families. It offers you not only Chicago's largest newspaper audience, but it represents the bulk of Chicago's buying power for all kinds of merchandise.

Tribune advertising is low-cost advertising. Per hundred thousand circulation, Tribune rates are among the lowest of all publications in America.

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